Economic Trends

ARTICLES

balance of payments: preliminary figures for the third quarter of 1988

The effects of taxes and benefits on household income 1986

Employment in the public and private sectors 1982–1988

No. 422

December 1988

Release dates of economic statistics to be published in January 1989

This is issued by the on behalf of the Government Statistical Service and other organisations as a guide to the publication dates of major economic series in January 1989. The dates are targets which are correct at time of going to press. Exceptionally, there may be delays due to unavoidable statistical problems. Enquiries about release of individual series should be made to the source named.

Publication date	Series	Method of release	Source
January			
Wed 4	UK official reserves (December)	PN	HMT
	Capital issues and redemptions (December)	PN	Bank of England
	Detailed analysis of employment, unemployment, earnings, prices and other indicators	Employment Gazette	DE
Thurs 5	Personal income, expenditure and saving (3rd quarter)	PN	CSO
	Industrial and commercial companies (3rd quarter)	PN	CSO
Mon 9	Retail sales (November-final)	PN	DTI
	Credit business (November)	PN	DTI
	Producer price index numbers (December-provisional)	PN	DTI
	Housing starts and completions (November)	PN	DOE
	Slum Clearance 1987/88 provisional	PN	DOE
Wed 11	Advance energy statistics (November)	PN	Dept. of Energy
	Overseas travel and tourism (October)	PN	DE
Thurs 12	Quarterly analysis of bank advances (November)	PN	Bank of England
Fri 13	Usable steel production (December)	PN	BSC/BISPA
	Finished steel consumption and stock changes (3rd quarter-final)	British Business	DTI
Sun 15	National Savings monthly progress report (December)	PN	Dept. for National Savings
Mon 16	CBI/FT Survey of distributive trades (December)	PN	CBI
	Retail sales (December-provisional)	PN	DTI
Wed 18	Public Sector Borrowing Requirement (December)	PN	HMT/CSO
Thurs 19	Provisional figures of vehicle production (December)	PN	DTI
	Index of output of the production industries (November)	PN	CSO
	Labour market statistics: unemployment and unfilled vacancies (December-provisional); average earnings indices (November-provisional); employment, hours, productivity and unit wage costs; industrial disputes	PN	DE
	Institutional investment (3rd quarter)	PN	Bank of England
Fri 20	Tax and price index (December)	PN	CSO
	Retail prices index (December)	PN	DE
	Cyclical indicators for the UK economy (December)	PN	CSO
	London and Scottish banks monthly statement (December)	PN	CLSB
	Provisional estimates of monetary aggregates (December)	PN	Bank of England
	Preliminary estimate of consumers' expenditure (4th quarter-provisional)	PN	CSO
Tues 24	Building societies monthly figures (December)	PN	BSA
	CBI Industrial Trends Survey (January)	PN	CBI
Wed 25	Construction — new orders (November)	PN	DOE
	Bricks and cement production and deliveries (4th quarter-provisional)	PN	DOE
Thurs 26	Energy trends (November)	PN	Dept. of Energy
Fri 27	Engineering sales and orders at current and constant prices (November)	British Business	DTI
	Balance of payments current account and overseas trade figures (December)	PN	DTI/CSO
	Quarterly house purchase finance statistics (4th quarter)	PN	CLSB
Tues 31	New vehicle registrations (December)	PN	DTp
	London sterling certificates of deposit (December)	PN	Bank of England
	Bill turnover statistics (December)	PN	Bank of England
	UK banks assets and liabilities and the money stock (December)	PN	Bank of England
	Sterling commercial paper (December)	PN	Bank of England

PN = Press Notice

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Introduction

Economic Trends brings together all the main economic indicators. It contains three regular sections of tables and charts illustrating trends in the UK economy:

'Latest developments' presents the most up-to-date statistical information available during the month. It is important to note that data included in this section may not be wholly consistent with other sections which have gone to press earlier.

The main section is based on information available to the CSO on the date printed at the foot of this page and shows the movements of the key economic indicators. The indicators appear in tabular form on left hand pages with corresponding charts on facing right hand pages. Colour has been used to aid interpretation in some of the charts, for example by creating a background grid on those charts drawn to a logarithmic scale. Index numbers in some tables and charts are given on a common base year for convenience of comparison.

The section on cyclical indicators shows the movements of four composite indices over 20 years against a reference chronology of business cycles. The indices group together indicators which lead, coincide with and lag behind the business cycle, and a short note describes their most recent movements. The February, May, August and November issues carry further graphs showing separately the movements in all of the 22 indicators which make up the composite indices.

In addition, quarterly articles on the national accounts appear in the January, April, July and October issues, and on the balance of payments in the March, June, September and December issues. Occasional articles comment on and analyse economic statistics and introduce new series, new analyses and new methodology.

Economic Trends is prepared monthly by the
Office in collaboration with the statistics divisions of Government Departments and the Bank of England.

Notes on the tables

1. The statistics relate mainly to the United Kingdom; where figures are for Great Britain only, this is shown on the table.
2. Similarly, almost all quarterly data are seasonally adjusted; those not seasonally adjusted are indicated by NSA.
3. Some data, particularly for the latest time period, are provisional and may be subject to revision in later issues.
4. Rounding may lead to inconsistencies between the sum of constituent parts and the total in some tables.
5. A line drawn across a column between two consecutive figures indicates that the figures above and below the line have been compiled on different bases and are not strictly comparable. In each case a footnote explains the difference.
6. 'Billion' denotes one thousand million.
7. There may sometimes be an inconsistency between a table and the corresponding chart, because the data may be received too late to update the chart. In such cases it should be assumed that the table is correct.
8. Symbols used:
   - .. not available
   - - nil or less than half the final digit shown
   - + alongside a heading indicates a series for which measures of variability are given in the table on page 73
   - † indicates that the data has been revised since last edition; the period marked is the earliest in the table to have been revised
   - * average (or total) of five weeks.

The Editor would welcome readers' suggestions for improvements to Economic Trends

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Latest developments in the economy

Data available at 6 January 1989

Official reserves and exchange rate (not seasonally adjusted)
The UK official reserves rose by $645 million in December to $51,685 million. The reserves were reduced by repayments of borrowing under the exchange cover scheme amounting to $103 million and by repayments of long-term North American loans amounting to $130 million. Proceeds from the third tender of UK ECU Treasury Bills issue totalled $784 million, whereas maturing UK ECU Treasury Bills were $367 million. There was no new borrowing under the exchange cover scheme this month. After taking account of foreign currency borrowing and repayments, the underlying change in the reserves during December was a rise of $461 million.

The average Exchange Rate Index rose by 1.2 per cent from 77.1 in November to 78 in December.

Stockbuilding
Provisional figures indicate that the level of stocks held by manufacturers, wholesalers and retailers fell by about £20 million, at 1985 prices and seasonally adjusted in the third quarter of 1988 following an increase of around £675 million in the previous quarter. Wholesalers and retailers increased their stocks by around £85 million and £35 million respectively, whilst manufacturers reduced their stocks by about £2,140 million.

Within manufacturing stocks of finished goods were decreased by about £125 million and stocks of materials and fuel increased by around £35 million. Stocks of work in progress fell by about £45 million in the third quarter.

An increase in production in the third quarter combined with the reduction in stocks caused the stock/output ratio to fall from 86.1 at the end of June to 83.2 at the end of September.

Unemployment and vacancies
The seasonally adjusted level of unemployment in the UK was 2.109 million in November, 7.5 per cent of the workforce. Over the past six months unemployment has fallen on average by 42,500 per month.

The stock of unfilled vacancies at jobcentres decreased by 6,300 in the month to November to reach 244,900. Over the past three months to November seasonally adjusted vacancies have increased on average by 700 per month.

Employment
The number of employees in employment in manufacturing industry in Great Britain is estimated to have decreased by 7,000 in October 1988 following a fall of 18,000 in the second quarter. The latest quarter's figures suggest that the trend is still downward.

The workforce in employment is estimated to have increased by 41,000 in the second quarter of 1988 and by 2,177,000 since March 1983.

Earnings
The underlying increase in average weekly earnings in the year to October was about 9 per cent, a fall of ¼ per cent on the increase in the year to September. The actual increase in the year to October, at 8.8 per cent, was below the estimated underlying increase, as several groups of workers did not receive pay increases in the twelve month period.

In production industries, the underlying increase in average weekly earnings in the year to October was about 8¾ per cent, similar to the increase in the year to September, which has been revised downwards from 9 per cent. In manufacturing industries the underlying increase was about 8¾ per cent in the year to October, similar to the increase in the year to September.

Productivity
Manufacturing output per head in the three months to October was 2.5 per cent higher than in the previous three months and 7.5 per cent higher than in the same period a year earlier. Output per head in the whole economy in the second quarter of 1988 was 0.7 per cent higher than in the previous quarter and 3.8 per cent higher than in the same period a year earlier.

Unit wage and salary costs
In the three months ending October wages and salaries per unit of output in manufacturing industries were 0.9 per cent above the corresponding period a year earlier. This increase was below the rise in average earnings in manufacturing as there was a rise of about 7¼ per cent in productivity over this period.

Output
In the three months to October 1988, output of the production industries was provisionally estimated to have increased by ½ per cent compared with the previous three months and to be 3 per cent higher than in the same period a year earlier. Manufacturing output in the three months to October was 2½ per cent higher than in the previous three months and 7 per cent higher than in the same period a year earlier. The output of the energy sector in the three months to October, which was affected by the loss of production from Piper Alpha and its associated fields, was 3 per cent lower than in the previous three months and 5 per cent lower than in the same period a year earlier.

There was an increase of 1 per cent in the output measure of gross domestic product, GDP(O), between the second and third quarters of 1988 and the level in the third quarter was 4½ per cent higher than a year previously. Output of the service industries rose by 1½ per cent between the second and third quarters of 1988. This included increases of 3 per cent in distribution, catering and related activities and 1 per cent in transport and communication industries. The output of the production industries increased by 1 per cent between the second and third quarters of 1988. Within this increase, manufacturing output rose by 3 per cent while the output of the energy and water supply industries fell by 4 per cent.

Consumers' expenditure
The provisional estimate of the seasonally adjusted index of the volume of retail sales in November was 140.5 (1980=100). This is a little below October's figure but above the average for the third quarter. In the three months from September to November, the level of sales was 1 per cent above that in the previous three months (after seasonal adjustment) and 5½ per cent higher than in the corresponding period a year earlier.

The rise of 2 per cent in consumers' expenditure at constant prices between the second and third quarters of 1988 took spending to a level 6 per cent above the third quarter of 1987.

Gross Domestic Product

Provisional estimates of the average measure of gross domestic product at constant factor cost, GDP(A), suggest that the level of economic activity in the third quarter of 1988 was 3½ per cent higher than in the same period of 1987 and 1 per cent higher than in the second quarter of 1988. The average measure of GDP at current market prices ('money GDP') was 10 per cent higher in the third quarter of 1988 than in the same period of 1987.

Balance of payments

The current account for November, seasonally adjusted, was estimated to have been in deficit by £1,613 million compared with a deficit of £2,529 million in October. In the three months ended November the current account showed a deficit of £4.6 billion compared with a deficit of £4.1 billion in the previous three months. In the latest three months there was a deficit on visible trade of £6.0 billion compared with one of £6.1 billion in the three months ended August. The surplus on invisibles in the latest three months is projected at £1.5 billion.

There was a deficit on visible trade in November of £2,013 million compared with a deficit of £2,929 million in October. The value of exports in November was 2½ per cent higher than in October; excluding oil and the erratic items, they rose by 1½ per cent. The value of imports in November fell by 8 per cent; excluding oil and the erratic items, they were 8 per cent lower than in October.

By volume, exports rose by 3½ per cent in the latest three months to be unchanged from the same period a year ago. Excluding oil and the erratic items, export volume rose by 2½ per cent in the latest three months to be 4 per cent higher than in the same period a year ago. The underlying level of non-oil export volume has grown only slowly in recent months.

Total import volume in the latest three months was 2 per cent higher than in the previous three months and 16 per cent higher than in the same period last year. Excluding oil and the erratic items, import volume rose by 3 per cent in the latest three months to be 16 per cent higher than in the same period a year ago. The underlying level of non-oil import volume has continued to rise.

Prices (not seasonally adjusted)

The general index of retail prices for all items for November 1988 was 110.0 (January 1987=100). This represents an increase of 0.5 per cent on October 1988 and an increase of 6.4 per cent on November 1987. The rise in the index between October and November reflects the final effects of the October increases in mortgage interest rates and higher prices for some foods, clothing and footwear. The Tax and Price Index for November 1988 was 106 (January 1987=100), 4.4 per cent higher than in November 1987 compared with an increase of 6.4 per cent in the Retail Prices Index in the same period.

The price index for materials and fuel purchased by manufacturing industry rose by 4 per cent in the twelve months ended November, after having risen 2.5 per cent in the twelve months ended October. Between October and November the index rose by 1.5 per cent. This increase mainly reflected the first instalment of the normal winter increase in costs of industrial electricty. The seasonally adjusted index rose by 0.5 per cent between and October and November.

Monetary aggregates (not seasonally adjusted except where indicated)

Provisional information suggests that in the twelve months to November, M0 rose by 7.9 per cent, M3 by 20.2 per cent, M4 by 17.6 per cent and M5 by 16.9 per cent. In November M0 rose by 0.5 per cent, M3 by 1.0 per cent, M4 by 0.7 per cent and M5 by 0.7 per cent, before seasonal adjustment. After seasonal adjustment, M0 rose by 0.2 per cent, M3 by 0.7 per cent, M4 by 0.4 per cent and M5 by 0.4 per cent.

1 Selected monthly indicators

	Volume of retail sales (GB)+ (1980=100)[1]	Index of output of production industries (1985=100)	Unemployed (thousands)	Vacancies at job centres (thousands)	Average earnings - whole economy (GB) (1985=100)	Producer price index of materials and fuel (1985=100)	Retail prices index (all items) (January 1987=100) (NSA)	Tax and price index (January 1987=100) (NSA)	Sterling exchange rate index (1975=100) (NSA)	UK official reserves ($ million) (NSA)	Balance of payments: current balance (£ million)	Money stock M3 (£ million)
	FAAM	DVIM	BCJD	DPCB	DNAB	DZDQ	CHAW	DQAB	AJHT	AIPI	AIMF	AGBC
1987 Apr	129.8	105.5	2 953.9	219.6	114.2	94.5	101.8	99.7	72.3	29 807	180†	162 629
May	126.9	106.3	2 890.5	231.6	115.4	94.4	101.9	99.8	73.3	34 679	-417	164 970
Jun	129.4*	104.6	2 857.2	233.7	115.7	96.0	101.9	99.8	72.6	34 364	-151	167 321
Jul	130.8	107.0	2 812.6	235.3	117.0	96.9	101.8	99.7	72.8	34 915	-356	170 991
Aug	131.6	107.7†	2 766.6	237.7	117.1	97.1	102.1	100.0	72.3	34 365	-791	173 245
Sep	132.0*	106.6	2 718.1	244.4	117.4	96.5	102.4	100.4	73.1	34 808	-57	175 649
Oct	133.0	108.7	2 663.9	259.9	118.8	96.5	102.9	100.9	73.6	41 399	-517	182 122
Nov	133.5	108.1	2 604.4	265.1	120.2	95.6	103.4	101.5	75.4	41 281	-650	181 929
Dec	133.4*	108.6	2 568.6	254.9	121.0	95.6	103.3	101.4	75.8	44 326	-802	184 510†
1988 Jan	135.0	108.8	2 519.4	250.8	121.8	95.2	103.3	101.4	75.0	43 093	-1 047	185 677
Feb	135.4	106.9	2 485.0	249.6	122.0	95.6	103.7	101.8	74.3	42 927	-1 189	186 566
Mar	135.4*	108.6	2 453.9	249.4	124.0	95.7	104.1	102.3	76.8	47 519	-678	192 149
Apr	136.3	109.4	2 402.9	255.9	124.4	96.8	105.8	101.4	78.2	47 857	-648	195 260
May	137.7	110.1	2 363.8	254.5	124.2	98.2	106.2	101.9	78.4	48 533	-1 124	196 485
Jun	137.0*	110.4	2 324.1	255.1	125.1	100.8	106.6	102.3	76.2†	48 519	-983	201 177
Jul	140.0	110.6	2 267.3	249.7	126.9	100.9	106.7	102.4	75.6	49 826	-2 001	206 671
Aug	139.5	111.0	2 225.6	221.0†	126.6	100.4	107.9	103.7	76.5	50 639	-1 161	208 377
Sep	138.4*	111.4	2 191.7	220.1	127.6†	99.4	108.4	104.3	75.5	50 482	-408	214 992
Oct	141.2†	111.1	2 157.9†	251.2	129.3	98.8†	109.5	105.4	76.3	50 048	-2 529	217 707
Nov	140.5	..	2 108.6	244.9	..	99.3	110.0†	106.0†	77.1	51 040†	-1 613	..
Percentage change, latest three months on previous three months												
1987 Apr	*1.5*	*1.6*	*-2.9*	*2.7*	*1.8*	*0.9*	..	..	*3.6*			
May	*1.5*	*1.7*	*-3.3*	*5.4*	*2.1*	*0.7*	..	..	*5.4*			
Jun	*2.5*	*1.5*	*-3.7*	*6.6*	*2.1*	*1.1*	*1.5*	*-0.6*	*4.1*			
Jul	*1.1*	*1.0*	*-4.2*	*8.0*	*2.3*	*1.7*	*0.9*	*-0.5*	*2.6*			
Aug	*2.4*	*1.0*	*-4.3*	*5.8*	*2.0*	*2.5*	*0.5*	*-0.2*	*0.1*			
Sep	*2.1*	*1.8*	*-4.6*	*4.7*	*1.8*	*2.0*	*0.2*	*0.3*	-			
Oct	*2.5*	*1.6*	*-4.8*	*5.9*	*1.6*	*1.0*	*0.6*	*0.7*	*0.1*			
Nov	*1.7*	*1.3*	*-5.3*	*8.9*	*1.9*	*-0.5*	*0.9*	*1.1*	*2.0*			
Dec	*1.4*	*1.3*	*-5.5*	*8.7*	*2.4*	*-1.0*	*1.1*	*1.2*	*3.0*			
1988 Jan	*1.3*	*0.8*	*-5.6*	*3.9*	*2.7*	*-1.3*	*0.8*	*1.0*	*3.3*			
Feb	*1.3*	*0.3*	*-5.2*	*-1.8*	*2.4*	*-0.8*	*0.5*	*0.6*	*1.4*			
Mar	*1.5*	*-0.3*	*-4.8*	*-3.9*	*2.2*	*-0.4*	*0.5*	*0.6*	*0.6*			
Apr	*1.3*	*-0.2*	*-4.6*	*-2.1*	*2.1*	*0.6*	*1.2*	*0.4*	*1.4*			
May	*1.4*	*1.2*	*-4.7*	*0.6*	*2.1*	*1.5*	*1.9*	*0.3*	*3.7*			
Jun	*1.3*	*1.7*	*-4.9*	*2.1*	*1.5*	*3.2*	*2.4*	-	*3.0*			
Jul	*1.9*	*1.9*	*-5.3*	*0.6*	*1.5*	*4.1*	*1.9*	*0.4*	*0.4*			
Aug	*1.7*	*1.2*	*-5.6*	*-4.5*	*1.5*	*3.9*	*1.6*	*0.9*	*-2.2*			
Sep	*1.7*	*0.9*	*-5.7*	*-9.8*	*1.9*	*1.7*	*1.4*	*1.6*	*-2.2*			
Oct	*1.1*	*0.7*	*-5.5*	*-8.8*	*1.9*	*-0.4*	*2.0*	*2.2*	*-0.8*			
Nov	*0.9*	..	*-5.3*	*-1.3*	..	*-1.5*	*2.1*	*2.4*	*0.3*			
Percentage change, latest three months on corresponding period of previous year												
1987 Apr	*6.1*	*2.9*	*-4.3*	*24.5*	*6.8*	*0.5*	..	..	*-5.2*			
May	*5.5*	*3.3*	*-5.8*	*27.9*	*7.2*	*1.5*	..	..	*-4.1*			
Jun	*6.0*	*3.7*	*-7.1*	*28.5*	*7.6*	*3.4*	..	..	*-4.4*			
Jul	*5.7*	*3.9*	*-8.8*	*27.0*	*8.1*	*5.4*	..	..	*-3.2*			
Aug	*6.2*	*4.2*	*-10.2*	*21.9*	*7.8*	*7.1*	..	..	*-1.6*			
Sep	*6.5*	*4.3*	*-11.5*	*20.4*	*7.9*	*6.9*	..	..	*1.1*			
Oct	*6.3*	*4.8*	*-12.8*	*21.8*	*7.9*	*5.6*	..	..	*4.5*			
Nov	*5.8*	*4.1*	*-14.1*	*24.5*	*8.1*	*4.2*	..	..	*7.5*			
Dec	*5.6*	*4.7*	*-15.2*	*24.6*	*8.4*	*3.4*	..	..	*9.8*			
1988 Jan	*6.5*	*5.0*	*-16.4*	*22.0*	*8.6*	*2.4*	..	..	*9.9*			
Feb	*7.1*	*4.3*	*-16.9*	*19.1*	*8.6*	*2.0*	..	..	*9.1*			
Mar	*7.8*	*4.0*	*-17.4*	*16.8*	*8.8*	*1.7*	*3.4*	*1.4*	*7.8*			
Apr	*6.4*	*3.2*	*-17.8*	*16.3*	*8.9*	*2.0*	*3.6*	*1.5*	*7.6*			
May	*7.0*	*3.8*	*-18.1*	*13.7*	*8.7*	*2.8*	*3.9*	*1.8*	*7.3*			
Jun	*6.4*	*4.3*	*-18.5*	*11.8*	*8.2*	*3.8*	*4.3*	*2.1*	*6.7*			
Jul	*7.1*	*4.2*	*-18.8*	*8.4*	*8.0*	*4.4*	*4.5*	*2.4*	*5.3*			
Aug	*6.3*	*4.0*	*-19.2*	*2.7*	*8.1*	*4.2*	*5.0*	*3.0*	*4.9*			
Sep	*6.0*	*3.6*	*-19.4*	*-3.7*	*8.3*	*3.5*	*5.5*	*3.4*	*4.3*			
Oct	*5.7*	*3.2*	*-19.3*	*-6.7*	*8.4*	*2.9*	*6.0*	*4.0*	*4.2*			
Nov	*5.4*	..	*-19.1*	*-6.9*	..	*3.1*	*6.2*	*4.3*	*3.1*			

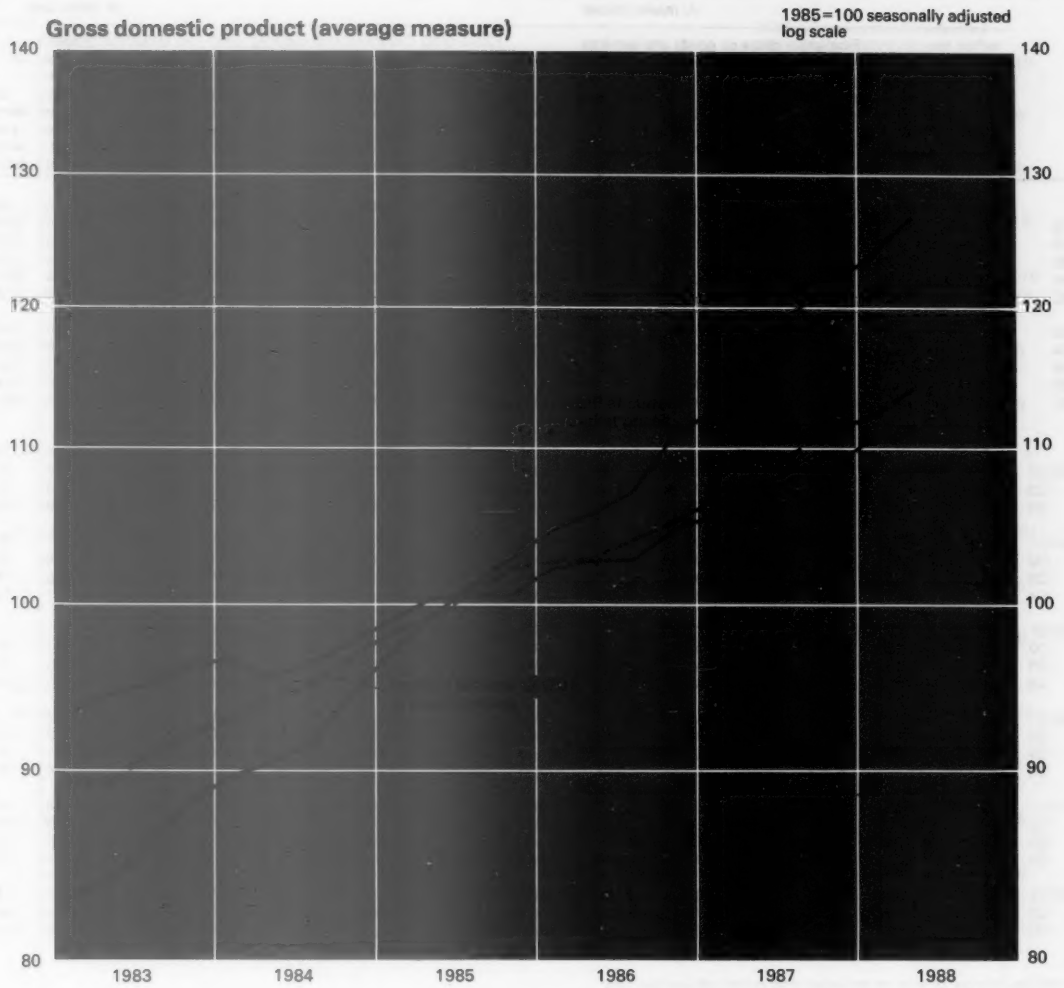
1 The series has been revised to take account of updated seasonal adjustment factors.

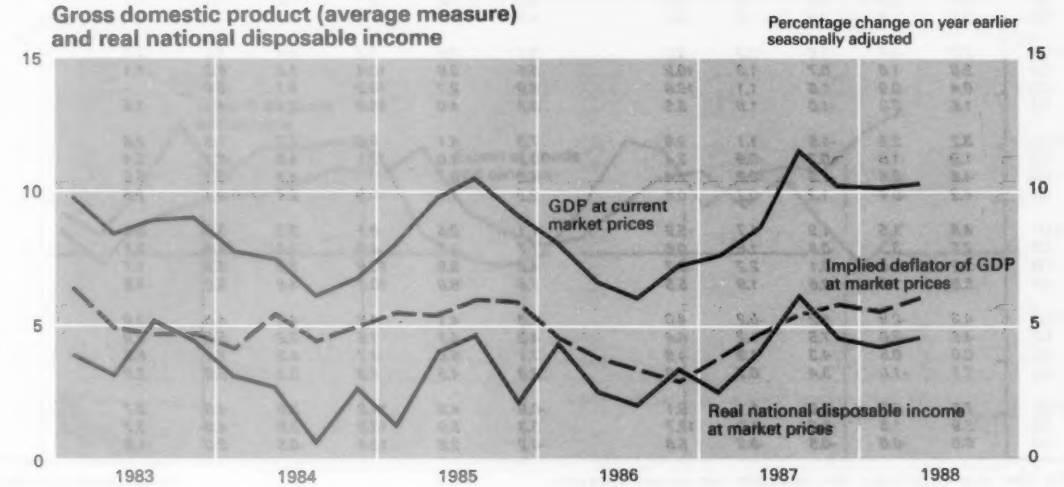
Sources: Department of Trade and Industry; Department of Employment;

2 National accounts aggregates

	Gross domestic product									Gross national disposable income: average estimate at 1985 market prices[4]	Implied gross domestic product deflators based on expenditure data	
	At current prices				At 1985 prices							
	At market prices		At factor cost			At factor cost						
	Average estimate (£ mn)	Average estimate (1985=100)	Expenditure-based estimate (£ mn)	Income-based estimate (£ mn)	Average estimate at market prices (1985=100)	Average estimate (1985=100)	Expenditure-based estimate (1985=100)	Income-based estimate[1] (1985=100)	Output-based estimate (1985=100)		At market prices (1985=100)	At factor cost[2] (1985=100)
	CAOB	DJCL	DJAE	DJAL	FNAO	DJDD	DJDE	DIAR	DSAE	DJCR	DJDT	DJCM
1978	187 814	47.4	149 459	147 916	90.5	90.4	90.9	89.7	90.2	88.5	52.4	54.0
1979	197 415	55.7	172 108	171 696	93.0	92.8	92.8	92.3	92.9	91.5	59.9	61.0
1980	230 671	65.1	200 453	199 377	90.8	90.7	91.1	90.3	90.2	90.0	71.7	72.3
1981	253 905	71.7	218 736	217 716	89.7	89.7	90.3	89.5	89.0	89.7	79.9	79.7
1982	277 953	78.5	236 951	238 025	91.3	91.4	91.4	91.5	90.9	91.2	86.0	85.2
1983	302 948	85.5	260 027	260 925	94.6	94.7	95.0	95.0	94.0	95.0	90.4	90.0
1984	324 100	91.5	278 278	278 742	96.6	96.3	96.2	96.1	96.6	97.2	94.7	95.1
1985	354 257	100.0	304 208	305 262	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	379 321†	107.1†	322 062†	323 976†	103.4†	103.2†	103.1†	103.4	103.0†	103.1†	103.6	102.6
1987	415 557	117.3	351 413	354 400	108.0	107.6	107.2	107.8†	107.8	107.6	108.6	107.7
	CAOB	DJCL	DJBA	DJBE	FNAO	DJDD	DJDE	DIAR	DSAE	DJCR	DJDT	DJCM
1984 Q1	79 452	89.7	68 471†	67 991†	96.4	96.3	96.5	95.5	96.5	97.2	93.0	93.3
Q2	80 052	90.4	68 463	68 683	96.0	95.5	95.1	95.1	96.2	96.2	94.2	94.6
Q3	81 087	91.6	69 000	69 997	96.4	96.2	95.5	96.5	96.4	96.4	95.0	95.0
Q4	83 509	94.3	72 344	72 071	97.6	97.4	97.8	97.1	97.3	98.9	96.6	97.3
1985 Q1	85 843	96.9	74 381	73 946	98.8	98.8	99.3	98.4	98.8	98.4	98.1	98.5
Q2	87 815	99.2	75 596	75 832	100.0	100.2	100.2	100.2	100.3	100.0	99.1	99.2
Q3	89 509	101.1	76 511	77 026	100.5	100.4	100.3	100.6	100.3	100.8	100.6	100.3
Q4	91 090	102.9	77 720	78 458	100.6	100.6	100.2	100.8	100.6	100.9	102.2	102.0
1986 Q1	92 745†	104.7	79 271	80 081	102.3†	102.3†	102.4†	103.1†	101.4†	102.7†	102.4†	101.8†
Q2	93 810	105.9†	80 050	80 115	103.1	103.0	103.3	103.0	102.5	102.6	102.8	101.9
Q3	95 040	107.3	79 880	80 835	103.0	102.7	101.9	102.8	103.4	102.7	104.2	103.0
Q4	97 726	110.3	82 861	82 945	105.0	104.7	104.9	104.6	104.7	104.3	105.0	103.9
1987 Q1	99 848	112.7	85 189	85 381	106.1	106.0	106.4	106.3	105.3	105.4	106.2	105.3
Q2	102 022	115.2	86 350	87 338	107.1	106.8	106.3	107.1	106.9	106.8	107.5	106.8
Q3	106 069	119.8	89 477	90 416	109.2	108.7	108.2	109.0	108.9	109.1	109.7	108.7
Q4	107 618	121.5	90 397	91 265	109.5	108.9	108.0	108.6	110.0	108.8	111.0	110.1
1988 Q1	109 908	124.1	92 104	94 632	111.0	110.8	109.3	111.9	111.3	109.8	111.8	110.8
Q2	112 854	127.4	94 723	95 473	111.5	111.1	110.3	110.8	112.3	111.5	114.3	112.9
Q3	116 471[5]	131.5[5]	94 911	98 789	112.7[5]	112.4[5]	107.2	112.1[6]	113.6	114.1[5]	116.6[6]	115.5[6]
Percentage change, quarter on corresponding quarter of previous year[3]												
1984 Q1	*7.7*	*7.7*	*7.3*	*8.1*	*3.4*	*3.2*	*2.3*	*3.1*	*4.1*	*3.1*	*4.2*	*4.9*
Q2	*7.4*	*7.4*	*8.1*	*6.2*	*1.9*	*1.2*	*1.1*	*-0.6*	*3.2*	*2.7*	*5.4*	*6.9*
Q3	*6.1*	*6.1*	*4.9*	*6.3*	*1.6*	*1.1*	-	*1.3*	*2.1*	*0.5*	*4.4*	*4.9*
Q4	*6.7*	*6.7*	*7.8*	*6.7*	*1.8*	*1.4*	*1.8*	*0.8*	*1.8*	*2.7*	*4.9*	*5.9*
1985 Q1	*8.0*	*8.0*	*8.6*	*8.8*	*2.5*	*2.7*	*2.8*	*3.0*	*2.4*	*1.2*	*5.4*	*5.6*
Q2	*9.7*	*9.7*	*10.4*	*10.4*	*4.2*	*4.9*	*5.4*	*5.4*	*4.3*	*3.9*	*5.3*	*4.8*
Q3	*10.4*	*10.4*	*10.9*	*10.0*	*4.2*	*4.4*	*5.0*	*4.2*	*3.9*	*4.6*	*5.9*	*5.6*
Q4	*9.1*	*9.1*	*7.4*	*8.9*	*3.1*	*3.3*	*2.5*	*3.9*	*3.4*	*2.0*	*5.8*	*4.8*
1986 Q1	*8.0*	*8.0*	*6.6*	*8.3*	*3.5*	*3.5*	*3.1*	*4.8*	*2.5*	*4.4*	*4.4*	*3.3*
Q2	*6.8*	*6.8*	*5.9*	*5.6*	*3.0*	*2.7*	*3.1*	*2.8*	*2.0*	*2.6*	*3.7*	*2.7*
Q3	*6.2*	*6.2*	*4.4*	*4.9*	*2.5*	*2.3*	*1.7*	*2.2*	*3.3*	*1.9*	*3.6*	*2.7*
Q4	*7.3*	*7.3*	*6.6*	*5.7*	*4.4*	*4.2*	*4.6*	*3.8*	*4.1*	*3.4*	*2.8*	*1.9*
1987 Q1	*7.7*	*7.7*	*7.5*	*6.6*	*3.8*	*3.6*	*3.9*	*3.1*	*3.9*	*2.6*	*3.8*	*3.4*
Q2	*8.8*	*8.8*	*7.9*	*9.0*	*3.9*	*3.7*	*2.9*	*4.0*	*4.3*	*4.1*	*4.6*	*4.8*
Q3	*11.6*	*11.6*	*12.0*	*11.9*	*6.0*	*5.8*	*6.2*	*6.0*	*5.3*	*6.2*	*5.3*	*5.5*
Q4	*10.1*	*10.1*	*9.1*	*10.0*	*4.2*	*3.9*	*2.9*	*3.8*	*5.1*	*4.3*	*5.7*	*6.0*
1988 Q1	*10.1*	*10.1*	*8.1*	*10.8*	*4.6*	*4.6*	*2.7*	*5.3*	*5.7*	*4.1*	*5.2*	*5.2*
Q2	*10.6*	*10.6*	*9.7*	*9.3*	*4.0*	*4.0*	*3.7*	*3.4*	*5.0*	*4.4*	*6.3*	*5.7*
Q3	*9.8*	*9.8*	*6.1*	*9.3*	*3.2*	*3.4*	*-1.0*	*2.8*	*4.3*	*4.6*	*6.4*	*6.2*

1 Income data deflated by the implied GDP deflator at factor cost based on expenditure data.
2 Also known as the Index of total home costs.
3 These estimates of change are based in some cases on less rounded figures than in the table.
4 Also known as Real national disposable income (RNDI).
5 Average estimates in the third quarter of 1988 have been derived from income and output estimates only.
6 The deflators for the third quarter of 1988 are derived from the average estimates rather than the expenditure estimates.


Gross domestic product (average measure)
1985=100 seasonally adjusted
log scale
140
130
120
110
100
90
80
1983
1984
1985
1986
1987
1988


Gross domestic product (average measure)
and real national disposable income
Percentage change on year earlier
seasonally adjusted
15
10
5
0
GDP at current
market prices
Implied deflator of GDP
at market prices
Real national disposable income
at market prices
1983
1984
1985
1986
1987
1988

3 Expenditure on the gross domestic product[1]

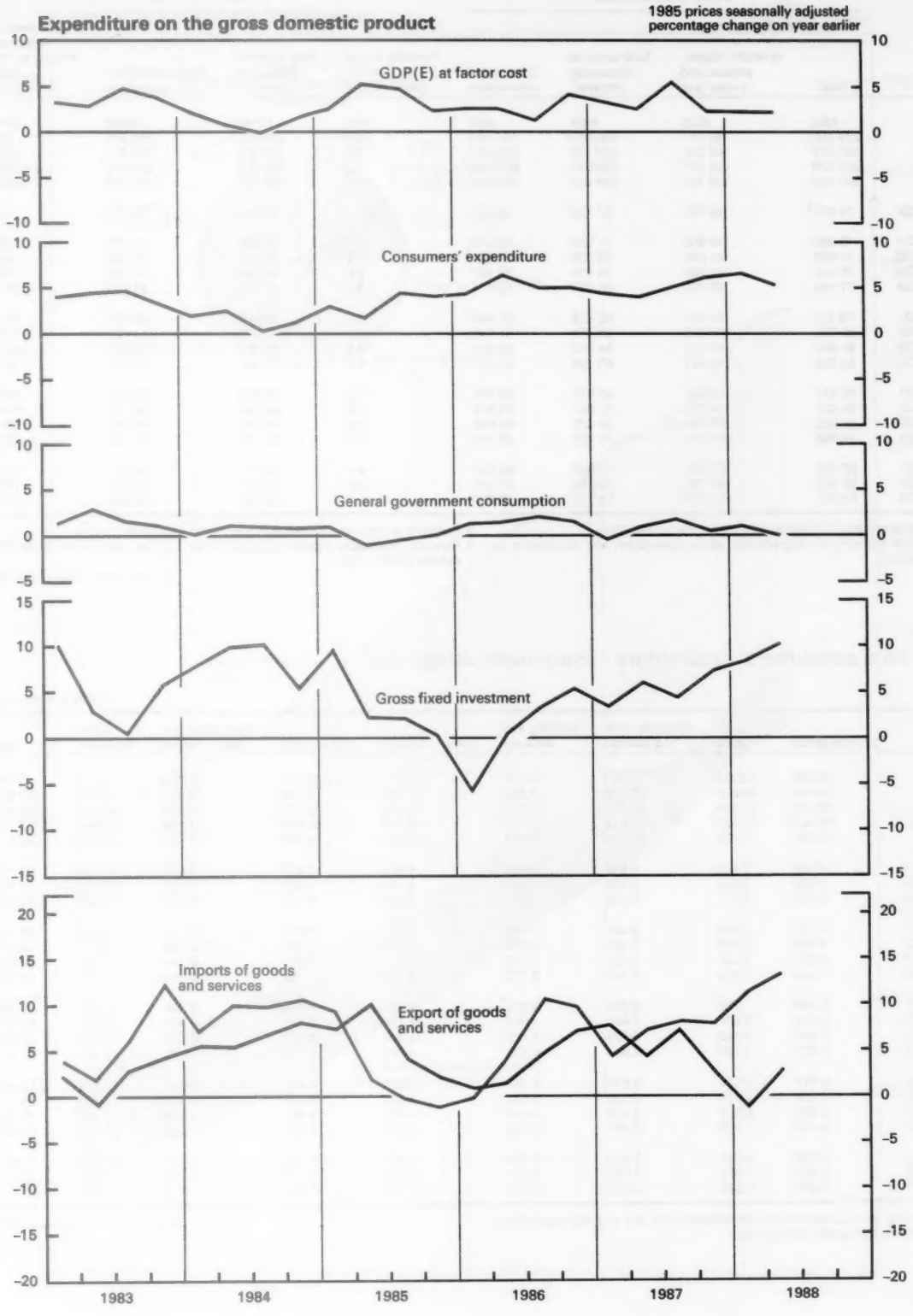
£ million, 1985 prices

	At market prices											At factor cost		
	Final expenditure on goods and services													
		General government final consumption												
	Consumers' expenditure	Central government	Local authorities	Total	Gross fixed investment	Stock building	Exports of goods and services	Total	less Imports of goods and services	Gross domestic product (expenditure based)	less Factor cost adjustment	Gross domestic product (expenditure based)	Statistical discrepancy (expenditure adjustment)	Gross domestic product (average estimate)
	CCBH	DJDK	DJDL	DJCZ	DFDM	DHBK	DJCV	DJDA	DJCY	DJCX	DJCU	DJCW	GIXS	CAOP
1978	185 950†	41 880	26 577	68 466	54 914	2 882	85 554	398 336	76 582	321 692	45 203	276 531	-1 155	275 376
1979	193 794	42 519	27 410	69 943	56 450	3 325	88 789	412 902	84 019	328 884	46 610	282 322	459	282 782
1980	193 806	43 775	27 272	71 050	53 416	-3 357	88 963	403 713	81 185	322 501	45 305	277 238	-744	276 495
1981	193 832	44 195	27 074	71 269	48 298	-3 191	88 205	397 812	78 922	318 852	44 248	274 614	-1 164	273 450
1982	195 561	44 509	27 318	71 826	50 915	-1 289	89 000	405 733	82 847	322 870	44 895	277 989	406	278 397
1983	204 318	45 370	27 912	73 282	53 476	1 306	91 092	423 474	88 119	335 355	46 390	288 965	-300	288 665
1984	207 927	45 832	28 142	73 974	58 075	1 072	97 066	438 114	96 674	341 440	48 717	292 723	815	293 538
1985	215 267	45 976	28 019	73 995	60 283	569	102 782	452 896	99 166	353 730	49 522	304 208	527	304 735
1986	227 663	46 890†	28 495	75 385†	60 798†	619†	106 633†	471 098†	105 601†	365 497†	51 748†	313 749†	669†	314 418†
1987	240 504	46 183	29 877	76 060	64 243	943	112 432	494 182	113 314	380 868	54 702	326 166	1 684	327 850
	CAAB	DIAV	DIAW	DIAT	DECU	DGBA	DJDG	DIAU	DJDJ	DJDI	DIAS	DJDH	GIXS	CAOP
1983 Q2	50 761	11 393	6 977	18 370	13 072	236	22 369	104 808	21 728	83 080	11 551	71 529	376	71 905
Q3	51 586	11 315	6 925	18 240	13 179	585	22 710	106 300	22 165	84 135	11 563	72 572	-98	72 474
Q4	51 636	11 350	7 049	18 399	13 929	264	23 437	107 685	22 856	84 829	11 756	73 073	120	73 193
1984 Q1	51 512	11 229	7 103	18 332	14 406	340	23 829	108 419	22 925	85 494	12 070	73 424	-91	73 333
Q2	52 159	11 580	7 028	18 608	14 404	-184	23 596	108 583	23 979	84 604	12 270	72 334	418	72 752
Q3	51 778	11 412	7 036	18 448	14 570	91	24 281	109 168	24 433	84 735	12 137	72 598	655	73 253
Q4	52 478	11 611	6 975	18 586	14 695	125	25 360	111 944	25 337	86 607	12 240	74 367	-167	74 200
1985 Q1	53 173	11 552	6 978	18 530	15 832	-197	25 562	112 899†	25 133	87 766†	12 252	75 514†	-231	75 284
Q2	53 159	11 396	7 041	18 437	14 756	603	25 997	112 952	24 484	88 468	12 257	76 211	137	76 348
Q3	54 246	11 467	6 942	18 409	14 917	324	25 312	113 208	24 436	88 772	12 518	76 254	236	76 490
Q4	54 689	11 561	7 058	18 619	14 778	-161	25 911	113 837	25 113	88 724	12 495	76 229	385	76 613
1986 Q1	55 743†	11 730†	7 112	18 842†	14 901†	367†	25 844†	115 697	25 150†	90 547	12 660†	77 887	43†	77 930†
Q2	56 862	11 776	6 984	18 760	14 843	193	26 444	117 102	25 687	91 415	12 854	78 561	-129	78 432
Q3	57 280	11 655	7 156	18 811	15 467	-458	26 524	117 624	27 095	90 529	12 997	77 532	731	78 263
Q4	57 778	11 729	7 243	18 972	15 587	517	27 821	120 675	27 669	93 006	13 237	79 769	24	79 793
1987 Q1	58 407	11 395	7 413	18 808	15 497	-119	27 868	120 461	26 300	94 161	13 242	80 919	-168	80 751
Q2	59 477	11 466	7 511	18 977	15 800	161	27 574	121 989	27 621	94 368	13 526	80 842	509	81 351
Q3	60 730	11 708	7 463	19 171	16 226	1 135	28 402	125 664	29 439	96 225	13 920	82 305	509	82 814
Q4	61 890	11 614	7 490	19 104	16 720	-234	28 588	126 068	29 954	96 114	14 014	82 100	834	82 934
1988 Q1	62 831	11 451	7 561	19 012	16 900	75	27 605	126 423	29 408	97 015	13 875	83 140	1 309	84 449
Q2	62 973	11 675	7 496	19 171	17 810	799	28 492	129 245	31 306	97 939	14 071	83 868	773	84 641
Q3	64 345	11 643	7 427†	19 070	17 141	-112	28 340	128 784	33 077	95 707	14 205	81 502	4 143	85 645

Percentage change, quarter on corresponding quarter of previous year

1983 Q2	*4.8*	*3.2*	*3.0*	*3.1*	*3.2*	*-0.6*	*2.9*	*2.3*	*3.1*	*3.6*	*3.0*	*3.2*
Q3	*5.0*	*2.3*	*1.5*	*1.9*	*0.8*	*3.0*	*5.2*	*6.7*	*4.8*	*3.1*	*5.1*	*4.1*
Q4	*3.7*	*1.6*	*1.4*	*1.5*	*6.2*	*4.5*	*5.6*	*12.5*	*3.9*	*3.2*	*4.0*	*4.2*
1984 Q1	*2.3*	*-0.7*	*2.0*	*0.3*	*8.3*	*5.6*	*3.6*	*7.3*	*2.6*	*4.8*	*2.3*	*3.2*
Q2	*2.8*	*1.6*	*0.7*	*1.3*	*10.2*	*5.5*	*3.6*	*10.4*	*1.8*	*6.2*	*1.1*	*1.2*
Q3	*0.4*	*0.9*	*1.6*	*1.1*	*10.6*	*6.9*	*2.7*	*10.2*	*0.7*	*5.0*	-	*1.1*
Q4	*1.6*	*2.3*	*-1.0*	*1.0*	*5.5*	*8.2*	*4.0*	*10.9*	*2.1*	*4.1*	*1.8*	*1.4*
1985 Q1	*3.2*	*2.9*	*-1.8*	*1.1*	*9.9*	*7.3*	*4.1*	*9.6*	*2.7*	*1.5*	*2.8*	*2.7*
Q2	*1.9*	*-1.6*	*0.2*	*-0.9*	*2.4*	*10.2*	*4.0*	*2.1*	*4.6*	*-0.1*	*5.4*	*4.9*
Q3	*4.8*	*0.5*	*-1.3*	*-0.2*	*2.4*	*4.2*	*3.7*	-	*4.8*	*3.1*	*5.0*	*4.4*
Q4	*4.2*	*-0.4*	*1.2*	*0.2*	*0.6*	*2.2*	*1.7*	*-0.9*	*2.4*	*2.1*	*2.5*	*3.3*
1986 Q1	*4.8*	*1.5*	*1.9*	*1.7*	*-5.9*	*1.1*	*2.5*	*0.1*	*3.2*	*3.3*	*3.1*	*3.5*
Q2	*7.0*	*3.3*	*-0.8*	*1.8*	*0.6*	*1.7*	*3.7*	*4.9*	*3.3*	*4.9*	*3.1*	*2.7*
Q3	*5.6*	*1.6*	*3.1*	*2.2*	*3.7*	*4.8*	*3.9*	*10.9*	*2.0*	*3.8*	*1.7*	*2.3*
Q4	*5.6*	*1.5*	*2.6*	*1.9*	*5.5*	*7.4*	*6.0*	*10.2*	*4.8*	*5.9*	*4.6*	*4.2*
1987 Q1	*4.8*	*-2.9*	*4.2*	*-0.2*	*4.0*	*7.8*	*4.1*	*4.6*	*4.0*	*4.6*	*3.9*	*3.6*
Q2	*4.6*	*-2.6*	*7.5*	*1.2*	*6.4*	*4.3*	*4.2*	*7.5*	*3.2*	*5.2*	*2.9*	*3.7*
Q3	*6.0*	*0.5*	*4.3*	*1.9*	*4.9*	*7.1*	*6.8*	*8.7*	*6.3*	*7.1*	*6.2*	*5.8*
Q4	*7.1*	*-1.0*	*3.4*	*0.7*	*7.3*	*2.8*	*4.5*	*8.3*	*3.3*	*5.9*	*2.9*	*3.9*
1988 Q1	*7.6*	*0.5*	*2.0*	*1.1*	*9.1*	*-0.9*	*4.9*	*11.8*	*3.0*	*4.8*	*2.7*	*4.6*
Q2	*5.9*	*1.8*	*-0.2*	*1.0*	*12.7*	*3.3*	*5.9*	*13.3*	*3.8*	*4.0*	*3.7*	*4.0*
Q3	*6.0*	*-0.6*	*-0.5*	*-0.5*	*5.6*	*-0.2*	*2.5*	*12.4*	*-0.5*	*2.0*	*-1.0*	*3.4*

1 For years up to and including 1982, totals differ from the sum of the components because of the method used to rebase on 1985 prices.


Expenditure on the gross domestic product
1985 prices seasonally adjusted
percentage change on year earlier
GDP(E) at factor cost
Consumers' expenditure
General government consumption
Gross fixed investment
Imports of goods and services
Export of goods and services
1983
1984
1985
1986
1987
1988

4 Personal disposable income and consumption

	£ million, current prices					£ million, 1985 prices		
	Personal income before tax							
	Total[1]	of which: Wages, salaries and forces' pay	Total personal disposable income[2]	Consumers' expenditure	Personal saving ratio[3] (percentage)+	Real personal disposable income[4] +	Real consumers' expenditure	Real personal disposable income at 1985 prices (1985=100)
	AIIO	AIJB	AIIW	AIIX	AIIZ	CFAH	CAAB	CFAF
1984	279 352†	155 117	220 950†	197 494	*10.6*†	232 622†	207 927	97.7
1985	301 527	168 568	238 112	215 267	*9.6*	238 112	215 267	100.0
1986	324 979	182 621†	256 072	237 644†	*7.2*	245 317	227 663†	103.0†
1987	348 494	198 161	274 318	260 690	*5.0*	253 077	240 504	106.3
1984 Q4	72 076†	40 205	57 120†	50 772	*11.1*†	59 042†	52 478	99.2
1985 Q1	73 266	40 855	57 930	52 312	*9.7*	58 881	53 173	98.9
Q2	74 683	41 652	59 029	52 881	*10.4*	59 337	53 159	99.7
Q3	76 144	42 689	59 916	54 497	*9.0*	59 638	54 246	100.2
Q4	77 434	43 372	61 237	55 577	*9.2*	60 256	54 689	101.2
1986 Q1	79 157	44 362†	62 222	57 364†	*7.8*	60 460	55 743†	101.6†
Q2	80 704	45 299	63 674	58 912	*7.5*	61 455	56 862	103.2
Q3	81 609	46 017	64 468	60 091	*6.8*	61 449	57 280	103.2
Q4	83 509	46 943	65 708	61 277	*6.7*	61 953	57 778	104.1
1987 Q1	85 217	47 643	67 377	62 645	*7.0*	62 810	58 407	105.5
Q2	86 057	48 924	67 661	63 845	*5.6*	63 023	59 477	105.9
Q3	87 322	50 050	68 522	66 050	*3.6*	62 994	60 730	105.8
Q4	89 898	51 544	70 758	68 150	*3.7*	64 250	61 890	107.9
1988 Q1	92 622	52 790	72 885	69 884	*4.1*	65 511	62 831	110.1
Q2	92 813	53 736	72 743	71 207	*2.1*	64 331	62 973	108.1
Q3	94 851	54 978	74 773	73 832	*1.3*	65 165	64 345	109.5

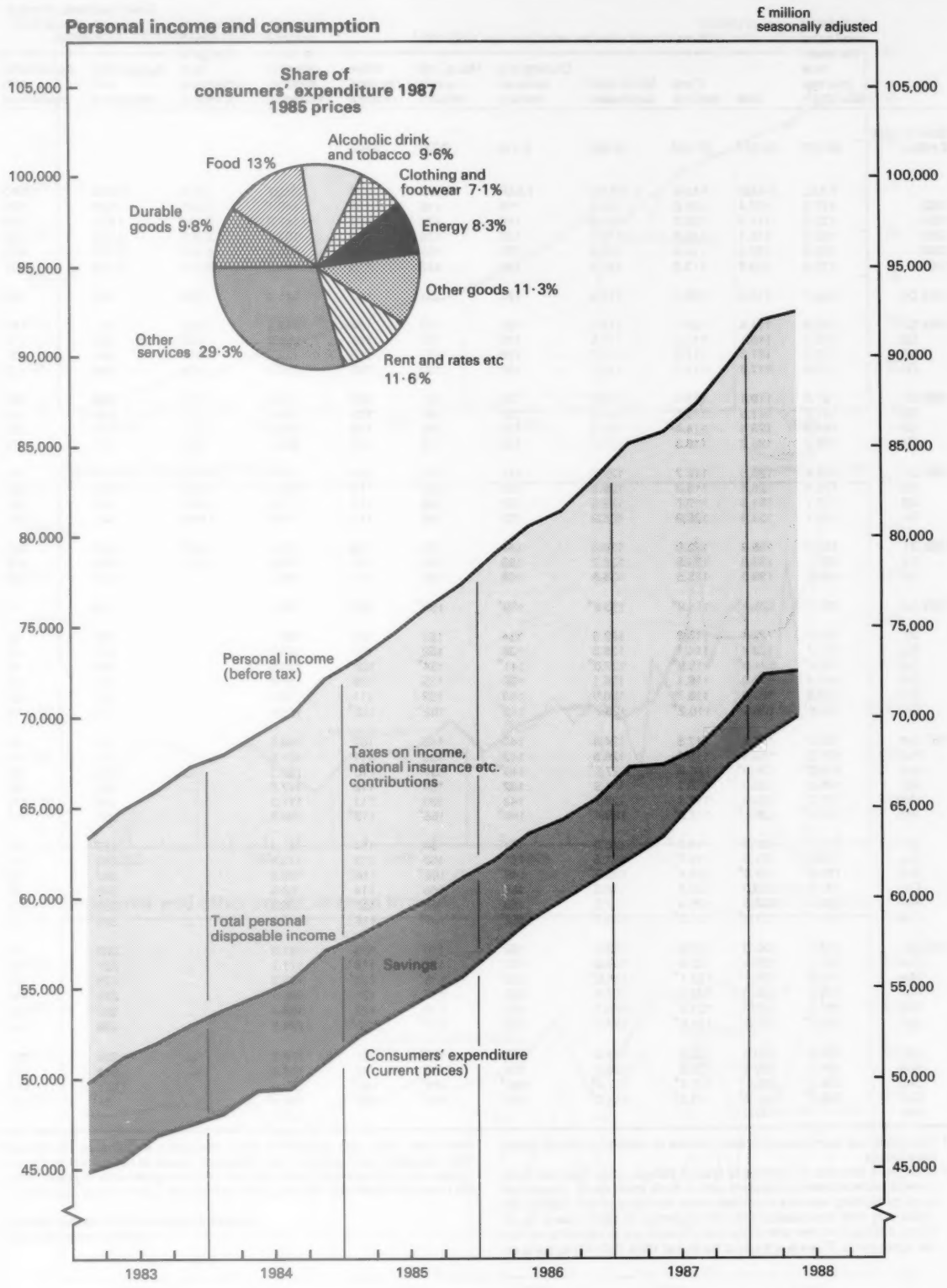
1 Before providing for depreciation and stock appreciation.
2 Before providing for depreciation, stock appreciation and additions to tax reserves.
3 Personal savings as a percentage of personal disposable income.
4 Personal disposable income revalued by the implied consumers' expenditure deflator (1985 = 100).

5 Real consumers' expenditure - component categories

£ million, 1985 prices

	Durable goods	Food	Alcoholic drink and tobacco	Clothing and footwear	Energy products	Other goods	Rent, rates and water charges	Other services[1]	Total
	CCBW	CCCA	FCCD	FCCE	CCCG	CCCM	CCCN	CCCJ	CAAB
1984	19 442	29 662	22 564	13 854	17 796	22 102	26 590	55 917	207 927
1985	20 370	30 064	22 657	14 812	18 629	23 233	26 922	58 580	215 267
1986	22 147†	31 225†	22 512	16 319†	19 360	24 800†	27 269	64 031†	227 663†
1987	23 682	31 330	22 790†	17 477	19 652	26 966	27 633	70 974	240 504
1984 Q2	4 989	7 463	5 619	3 428	4 430	5 545	6 637	14 048	52 159
Q3	4 662	7 289	5 625	3 513	4 410	5 566	6 657	14 056	51 778
Q4	4 970	7 377	5 619	3 571	4 479	5 639	6 678	14 145	52 478
1985 Q1	5 012	7 422	5 667	3 646	4 573	5 679	6 699	14 475	53 173
Q2	4 993	7 498	5 639	3 709	4 626	5 761	6 720	14 213	53 159
Q3	5 210	7 581	5 646	3 732	4 724	5 857	6 740	14 756	54 246
Q4	5 155	7 563	5 705	3 725	4 706	5 936	6 763	15 136	54 689
1986 Q1	5 268†	7 756†	5 595	3 978†	4 829	5 973†	6 784	15 560†	55 743†
Q2	5 573	7 831	5 647	4 046	4 884	6 111	6 806	15 964	56 862
Q3	5 669	7 845	5 626	4 125	4 860	6 293	6 828	16 034	57 280
Q4	5 637	7 793	5 644	4 170	4 787	6 423	6 851	16 473	57 778
1987 Q1	5 641	7 674	5 610†	4 174	4 878	6 484	6 874†	17 072	58 407
Q2	5 834	7 779	5 706	4 324	4 804	6 678	6 896	17 456	59 477
Q3	6 087	7 952	5 723	4 444	4 891	6 854	6 920	17 859	60 730
Q4	6 120	7 925	5 751	4 535	5 079	6 950	6 943	18 587	61 890
1988 Q1	6 350	8 049	5 806	4 503	4 948†	7 143	6 966	19 066	62 831
Q2	6 429	7 851	5 822	4 521	4 943	7 187	6 989	19 231	62 973
Q3	6 947	7 822	5 876	4 634	5 129	7 366	7 012	19 559	64 345

1 Including the adjustments for international travel, etc. and final expenditure by private non-profit-making bodies.


Personal income and consumption
£ million
seasonally adjusted
Share of
consumers' expenditure 1987
1985 prices
Alcoholic drink
and tobacco 9·6%
Food 13%
Clothing and
footwear 7·1%
Durable
goods 9·8%
Energy 8·3%
Other goods 11·3%
Other
services 29·3%
Rent and rates etc
11·6%
105,000
100,000
95,000
90,000
85,000
80,000
75,000
70,000
65,000
60,000
55,000
50,000
45,000
Personal income
(before tax)
Taxes on income,
national insurance etc.
contributions
Total personal
disposable income
Savings
Consumers' expenditure
(current prices)
1983
1984
1985
1986
1987
1988

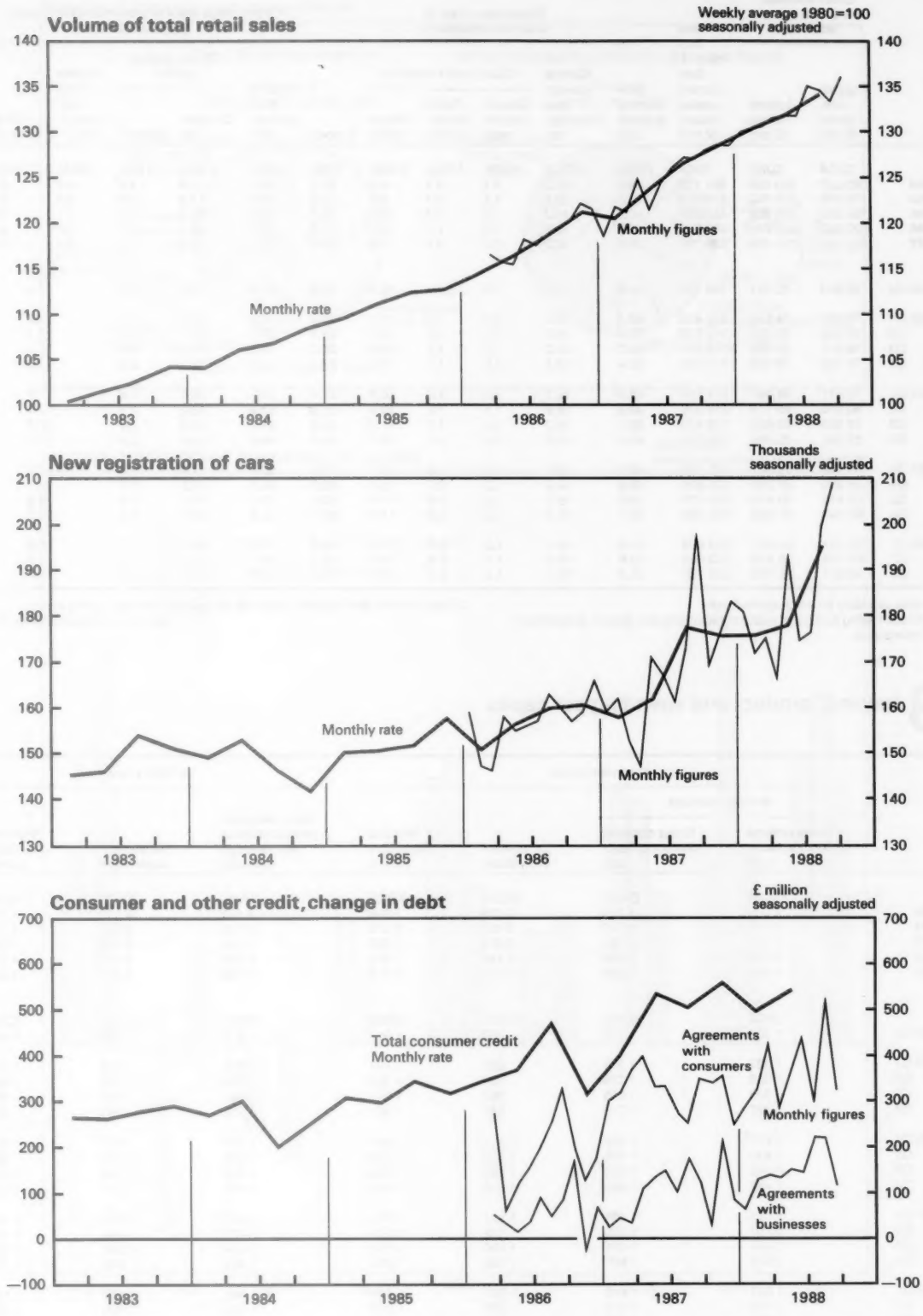
6 Retail sales, new registrations of cars and credit business (Great Britain)

	Value of retail sales per week: total (average 1980=100)[1]	Volume of retail sales per week (average 1980=100)[1]						New registrations of cars+ (monthly average, thousands)	Consumer credit: change in total outstanding (£ million)	Credit business: changes in amounts outstanding[2] (£ million)	
		Total	Food retailers	Mixed retail businesses	Clothing and footwear retailers	Household goods retailers	Other non-food retailers			Agreements with consumers	Agreements with businesses
Sales in 1980 £ million	*58 377*	*58 377*	*22 859*	*10 945*	*5 413*	*9 234*	*9 926*				
	FAAL	FAAM	FAAN	FAAO	FAAP	FAAQ	FAAR	DKBY	AIKM	FSBN	FSBO
1983	127.9	107.4	105.0	108.3	110	118	100	149.1	3 280	1 620	805
1984	138.2	111.3	106.9	111.2	119	126	103	147.3	3 094	1 551	748
1985	150.4	116.4	110.8	116.7	128	135	105	152.3	3 805	2 309	442
1986	162.9	122.6	114.4	123.6	137	150	107	156.8	4 500	2 385	822
1987	176.4	129.8	118.8	131.1	148	162	113	168.2†	5 973	3 865	1 221
1984 Q4	142.7	113.5	108.0	113.4	124	131	104	141.4	765	355	198
1985 Q1	145.6	114.4	109.1	115.1	125	132	104	150.2	932	461	185
Q2	149.4	116.1	110.5	117.5	128	134	105	150.2	887	496	113
Q3	152.4	117.3	111.8	117.7	128	137	105	151.3	1 032	656	157
Q4	153.9	117.6	111.7	116.7	130	139	105	157.4	954	696	-13
1986 Q1	157.2	119.4	113.4	119.9	132	141	105	150.5	1 035	784	308
Q2	161.2	121.6	113.8	121.8	137	149	106	156.4	1 105	330	82
Q3	164.8	123.6	114.4	125.5	138	153	108	160.0	1 431	770	223
Q4	168.9	126.2	116.3	127.5	140	159	110	160.4	929	501	209
1987 Q1	169.4	125.5	116.7	127.2	141	154	109	157.9	1 182	977	105
Q2	174.3	128.8	118.0	129.3	147	162	113	161.8	1 606	1 068	393
Q3	178.7	131.5	119.7	132.5	150	166	115	177.5	1 517	874	396
Q4	183.1	133.3	120.9	135.5	153	168	117	175.8	1 668	946	327
1988 Q1	187.0	135.3	123.0	136.3	154	173	118	176.0	1 450†	1 035	327
Q2	191.1	137.0	124.5	136.2	155	176	121	178.0	1 631	1 084	426
Q3	195.8	139.2	125.5	138.8	158	182	121	195.2	..	1 137	556
1986 Jun	163.9*	123.2*	114.9*	123.8*	139*	150*	108*	156.2	..	153	35
Jul	162.9	122.4	113.8	122.9	134	151	108	157.1	..	195	93
Aug	164.7	123.4	114.1	126.3	138	152	107	163.0	..	247	48
Sep	166.4*	124.6*	115.0*	127.0*	141*	154*	108*	159.9	..	328	82
Oct	167.1	125.0	116.1	126.1	139	155	109	156.8	..	200	172
Nov	169.9	127.0	116.7	130.0	140	159	111	158.9	..	124	-32
Dec	169.5*	126.6*	116.2*	126.7*	142*	162*	110*	165.6	..	177	69
1987 Jan	167.0	123.6	117.5	124.9	140	145	107	158.5	..	299	24
Feb	171.2	126.9	116.4	128.8	142	159	111	161.8	..	315	45
Mar	170.0*	126.0*	116.2*	127.8*	140*	157*	110*	153.3	..	363	36
Apr	175.8	129.8	118.9	131.9	152	159	113	147.3	..	398	107
May	171.7	126.9	117.1	126.7	142	160	111	171.3	..	333	136
Jun	175.1*	129.4*	117.9*	129.4*	146*	165*	113*	166.8	..	337	150
Jul	177.4	130.8	118.8	133.6	151	164	114	161.4	..	277	98
Aug	178.6	131.6	119.7	131.5	151	167	115	173.1	..	250	173
Sep	179.8*	132.0*	120.4*	132.5*	149*	168*	116*	198.0	..	347	125
Oct	181.9	133.0	120.8	136.5	155	166	114	168.8	..	340	26
Nov	183.4	133.5	120.4	137.3	153	168	117	175.9	..	357	217
Dec	183.8*	133.4*	121.2*	133.3*	152*	169*	118*	182.6	..	249	84
1988 Jan	186.3	135.0	122.9	136.7	152	170	119	181.0	..	288	60
Feb	187.1	135.4	122.9	135.6	157	172	118	171.7	..	321	128
Mar	187.5*	135.4*	123.1*	136.6*	153*	175*	116*	175.2	..	426	139
Apr	189.5	136.3	124.3	135.4	152	174	121	166.1	..	281	132
May	191.9	137.7	124.6	135.7	157	178	122	193.4	..	365	152
Jun	191.7*	137.0*	124.6*	137.2*	155*	175*	120*	174.5	..	438	142
Jul	195.9	140.0	125.3	138.9	158	188	121	176.2	..	298	220
Aug	196.2	139.5	125.8	139.6	156	182	122	199.8	..	518	218
Sep	195.4*	138.4*	125.4*	137.9*	160*	178*	120*	209.6	..	321	118
Oct	200.2†	141.2†	126.9†	142.0†	159†	184†	123†	168.4†	..	81†	177†
Nov	..	140.5	..	..	..	..	..	182.2	..	..	..

1 The series has been revised to take account of updated seasonal adjustment factors.

2 Changes in amounts outstanding to finance houses, other specialist credit grantors, selected kinds of retailers and on bank credit cards. Unsecured loans by building societies permitted under the terms of the *Building Societies Act 1986* are included from the beginning of 1987. Loans by retailers, building societies and on bank credit cards are all treated as consumer agreements. There is a break at the end of 1985. Before this, loans on bank credit cards and agreements block discounted with finance houses and other specialist credit grantors were excluded. Loans to consumers by finance houses and other specialist credit grantors covered agreements regulated under the *Consumer Credit Act 1974* and loans to business covered other agreements.

Sources: Department of Trade and Industry; Department of Transport


Volume of total retail sales
Weekly average 1980=100
seasonally adjusted
Monthly figures
Monthly rate
New registration of cars
Thousands
seasonally adjusted
Monthly rate
Monthly figures
Consumer and other credit, change in debt
£ million
seasonally adjusted
Total consumer credit
Monthly rate
Agreements
with
consumers
Monthly figures
Agreements
with
businesses
1983
1984
1985
1986
1987
1988

7 Gross domestic product and shares of income and expenditure

	Gross domestic product at current factor cost		Total final expenditure (current market prices)	Percentage share of total final expenditure						Percentage share of gross domestic product (income-based)				
						Gross fixed investment					Gross trading profits[1]			
	Expenditure-based (£ mn)	Income-based (£ mn)		Consumers' expenditure	General government consumption	General government	Public corporations	Private sector	Exports	Income from employment	Companies	Other[2]	Income from self-employment[1]	Other income[3]
	DJBA	DJBE	DIAB	FBBD	FBBE	FBBF	FBBG	FBBH	FBBI	FBBJ	FBBK	FBBL	FBBM	FBBN
1983	260 027	260 925	381 113	48.5	17.3	1.5	2.1	9.2	21.1	65.0	13.9	3.8†	9.2	8.1†
1984	278 278	278 742	416 313	47.5	16.8	1.5	1.8	9.9	22.2	64.6	14.8	2.9	9.6	8.1
1985	304 208	305 262	452 896	47.5	16.3	1.5	1.3	10.6	22.7	63.8	16.8	2.4	9.1†	8.0
1986	322 062†	323 976†	480 216†	49.5†	16.6	1.5	1.1	10.6†	20.5	64.7	15.4	2.5	9.3†	8.1
1987	351 413	354 400	525 788	49.6	16.3†	1.3	0.9	11.3	20.5†	63.8	17.3	1.8	9.2	7.9
														FBBO
1984 Q4	72 344	72 071	109 120	46.5	16.6	1.5	1.6	10.0	22.9	64.6	15.5	2.3†		17.6
1985 Q1	74 381	73 946	112 413	46.5	16.3	1.3	1.4	11.2	23.3	63.9	16.9	1.7		17.3†
Q2	75 596	75 832	112 673	46.9	16.2	1.5	1.3	10.2	23.5	63.5	17.1	2.4		17.1
Q3	76 511	77 026	113 047	48.2	16.3	1.5	1.2	10.5	22.0	63.9	16.3	2.9		17.0
Q4	77 720	78 458	114 763	48.4	16.5	1.5	1.1	10.5	22.0	63.7	17.0	2.4		17.0
1986 Q1	79 271†	80 081†	117 212†	48.9†	16.7	1.5	1.2	10.4	21.0	63.7	16.5†	2.6		17.2
Q2	80 050	80 115	118 379	49.8	16.6†	1.5	1.2	10.4	20.3†	64.9	15.0	2.7		17.4
Q3	79 880	80 835	119 875	50.1	16.7	1.4	1.1	11.0†	20.0	65.3†	14.8	2.3		17.7
Q4	82 861	82 945	124 750	49.1	16.4	1.4	1.1	10.7	20.8	64.8	15.3	2.4		17.5
1987 Q1	85 189	85 381	126 139	49.7	16.4	1.4	1.0	10.7	20.8	63.8	17.0	1.8		17.3
Q2	86 350	87 338	128 804	49.6	16.4	1.3	0.7	11.4	20.5	63.9	17.2	1.7		17.1
Q3	89 477	90 416	134 756	49.0	16.2	1.2	0.9	11.4	20.5	63.1	18.2	1.8		16.9
Q4	90 397	91 265	136 089	50.1	16.3	1.3†	0.9	11.7	20.0	64.3	16.9	1.8		17.0
1988 Q1	92 104	94 632	137 426	50.9	16.1	1.3	0.8	12.0	18.8	63.5	18.0	1.7		16.9
Q2	94 723	95 473	142 624	49.9	15.9	1.1	0.8	12.6	19.1	64.0	17.1	1.9		17.0
Q3	94 911	98 789	145 196	50.8	15.7	1.1	0.8†	12.3	19.4	63.2	18.2	1.9		16.8

1 After providing for stock appreciation.
2 Gross trading surplus of public corporations and general government enterprises.
3 Rent income, and imputed charge for consumption of non-trading capital.

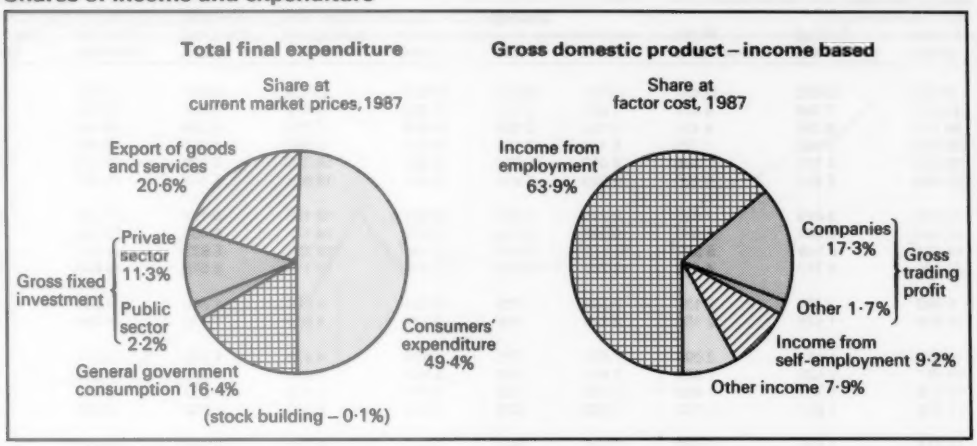
Source: Central Statistical Office

8 Income, product and spending per capita

£

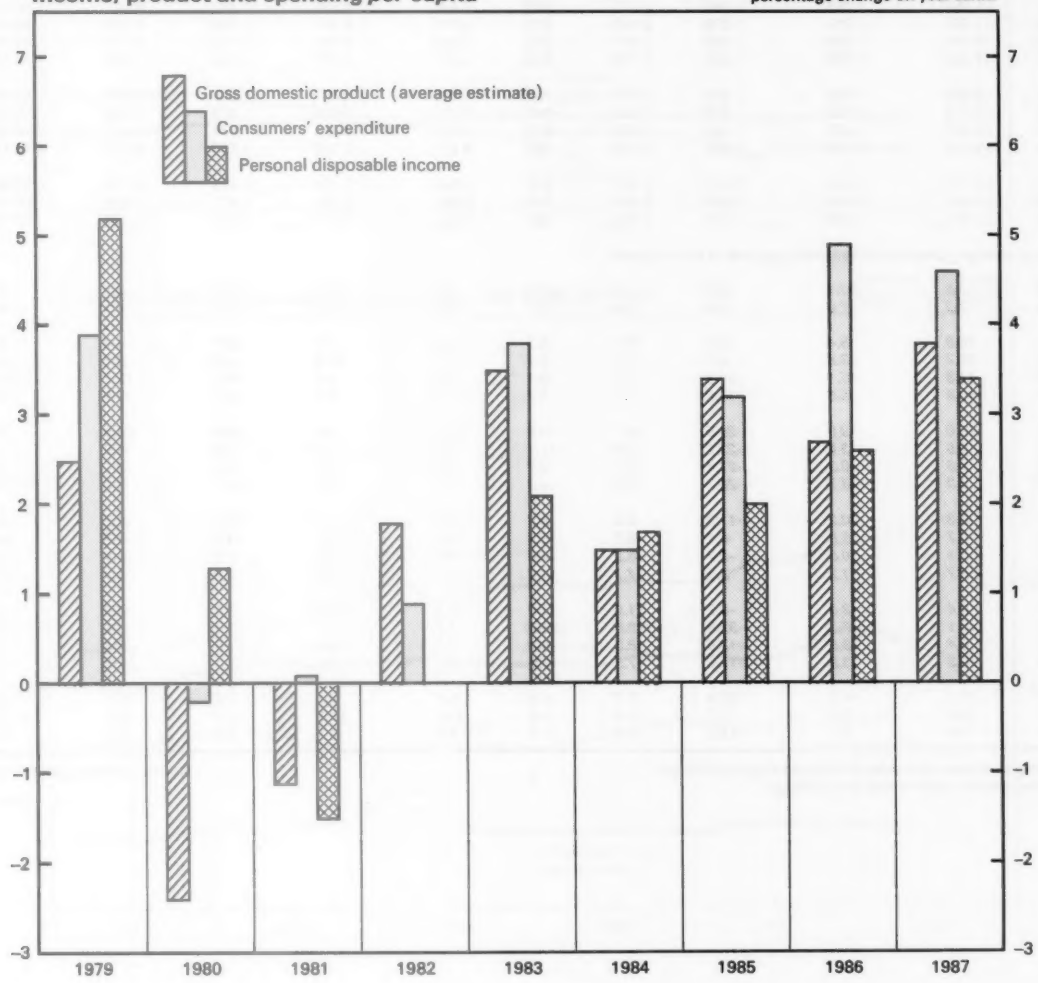
	At current prices				At 1985 prices		
	Average estimate						
	Gross national product at factor cost	Gross domestic product at factor cost	Consumers' expenditure	Personal disposable income	Gross domestic product at factor cost (average estimate)	Consumers' expenditure	Personal disposable income
	CAQA	CAQB	FBCC	FBCD	CAQC	FBCF	FBCH
1983	4 660	4 609	3 276	3 658†	5 122	3 626	4 049†
1984	5 021	4 942	3 497	3 913	5 199	3 683	4 120
1985	5 431	5 382	3 802	4 206	5 383	3 802	4 206
1986	5 775†	5 686†	4 186†	4 510	5 538†	4 011†	4 321
1987	6 300	6 205	4 579	4 819	5 759	4 224	4 445
	CAQA	CAQB	FBCC	FBCD	CAQC	FBCF	CAIU
1984 Q4	1 307	1 277	898	1 011†	1 313	929	1 045†
1985 Q1	1 327	1 311	925	1 024	1 331	940	1 041
Q2	1 350	1 338	934	1 043	1 349	939	1 048
Q3	1 369	1 355	962	1 058	1 351	958	1 053
Q4	1 385	1 378	981	1 081	1 352	965	1 063
1986 Q1	1 417†	1 399†	1 012†	1 097	1 374†	983†	1 066
Q2	1 430	1 408	1 038	1 122	1 382	1 002	1 083
Q3	1 445	1 420	1 058	1 135	1 378	1 009	1 082
Q4	1 483	1 459	1 078	1 156	1 404	1 017	1 090
1987 Q1	1 522	1 495	1 101	1 185	1 420	1 027	1 104
Q2	1 550	1 526	1 122	1 189	1 429	1 045	1 107
Q3	1 605	1 581	1 160	1 203	1 454	1 066	1 106
Q4	1 623	1 603	1 196	1 242	1 456	1 086	1 128
1988 Q1	1 663	1 642	1 227	1 279	1 482	1 103	1 150
Q2	1 706	1 678	1 250	1 276	1 485	1 105	1 129
Q3	1 757	1 735	1 295	1 311	1 502	1 129	1 143

Shares of income and expenditure



Income, product and spending *per capita*

1985 prices
percentage change on year earlier

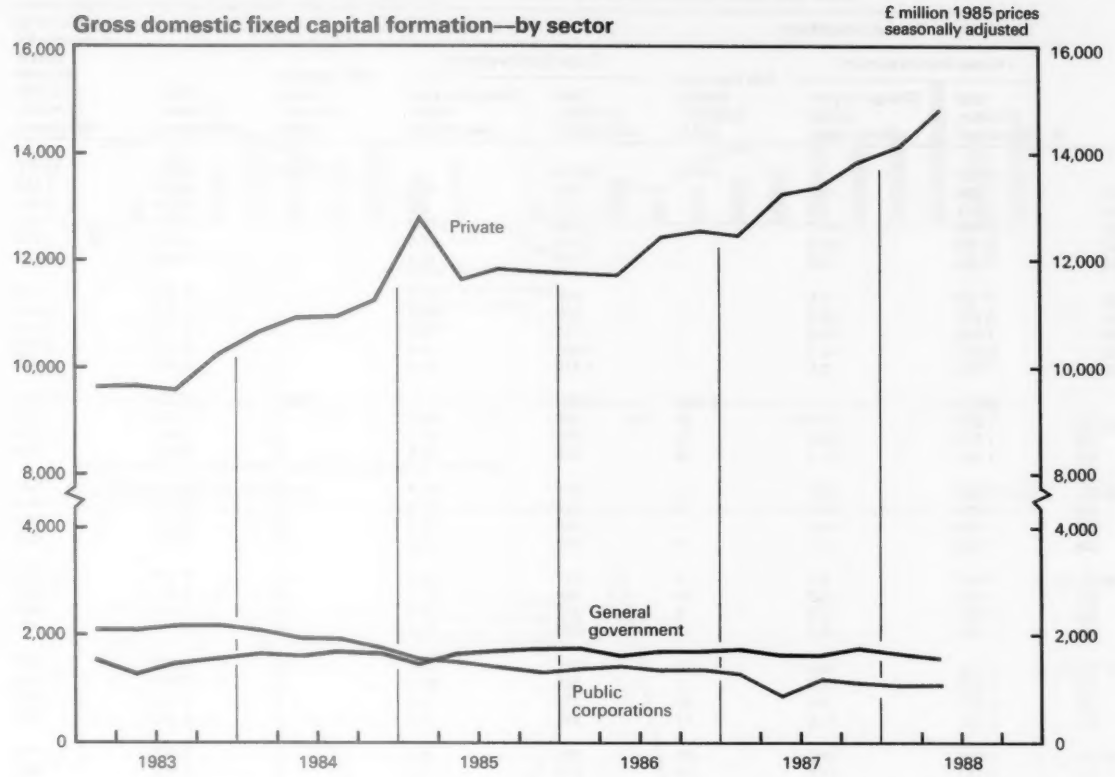


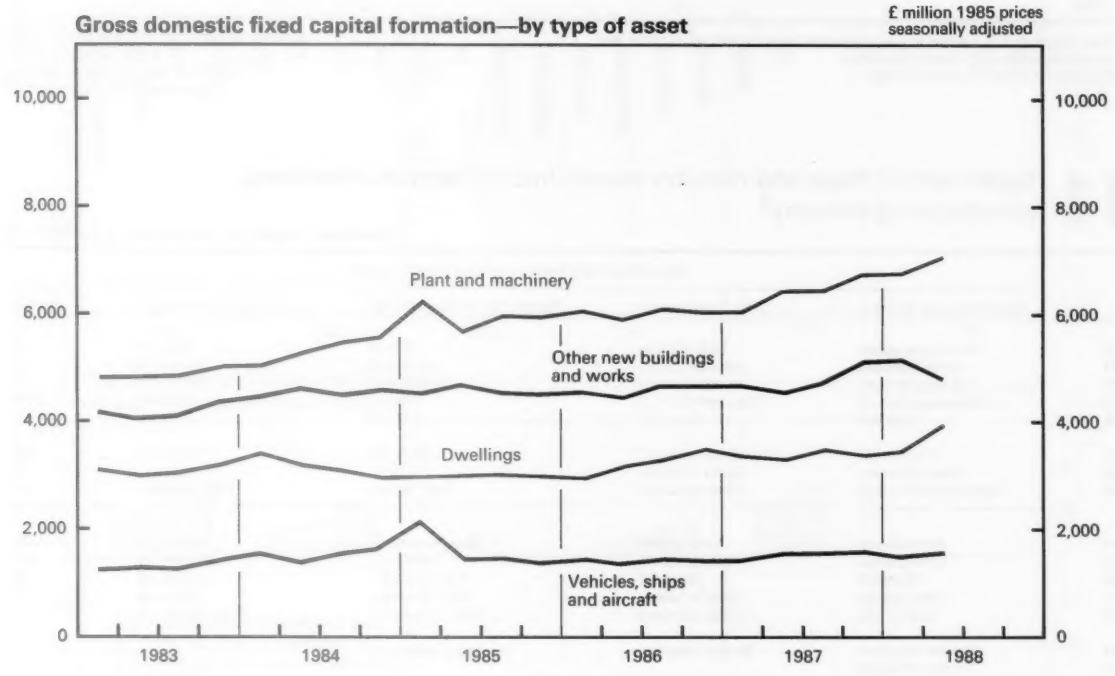
9 Gross domestic fixed capital formation

£ million, 1985 prices

	Analysed by sector[1]			Analysed by type of asset						
				Dwellings						
	Private sector	General government	Public corporations	Private	Public	Total	Other new building and works[2]	Vehicles, ships and aircraft	Plant and machinery	Total gross domestic fixed capital formation
	DFEB	DFED	DFDA	DFEA	DFEC	DFEG	DFCV	DEBP	DEBO	DECU
1979	40 268	7 349	8 677	9 665	3 615	13 363	16 172	7 514	19 736	56 450
1980	38 577	6 290	8 491	9 134	3 196	12 379	15 335	6 296	19 660	53 416
1981	35 990	4 632	7 775	8 149	2 155	10 247	14 860	4 895	18 269	48 298
1982	38 892	4 313	7 906	8 680	2 282	10 899	16 377	5 028	18 478	50 915
1983	39 085	5 901	8 490	9 323	2 924	12 247	16 651	5 177	19 401	53 476
1984	43 845	6 605	7 625	9 746	2 825	12 571	18 135	6 107	21 262	58 075
1985	48 043	6 584	5 656	9 392	2 536	11 928	18 178	6 433	23 744	60 283
1986	48 451†	6 949†	5 398†	10 176†	2 622†	12 798†	18 355†	5 623†	24 022†	60 798†
1987	53 080	6 747	4 416	10 787	2 658	13 445	19 115	6 078	25 605	64 243
1983 Q3	9 562	1 480	2 137	2 302	723	3 025	4 090	1 240	4 824	13 179
Q4	10 200	1 578	2 151	2 429	748	3 177	4 349	1 405	4 998	13 929
1984 Q1	10 679	1 631	2 096	2 653	725	3 378	4 478	1 539	5 011	14 406
Q2	10 912	1 603	1 889	2 467	700	3 167	4 606	1 362	5 269	14 404
Q3	10 976	1 704	1 890	2 373	722	3 095	4 479	1 553	5 443	14 570
Q4	11 278	1 667	1 750	2 253	678	2 931	4 572	1 653	5 539	14 695
1985 Q1	12 815	1 485	1 532	2 300	647	2 947	4 514	2 144	6 227	15 832
Q2	11 626	1 661	1 469	2 370	622	2 992	4 670	1 466	5 628	14 756
Q3	11 836	1 709	1 372	2 357	652	3 009	4 499	1 469	5 940	14 917
Q4	11 766	1 729	1 283	2 365	615	2 980	4 495	1 354	5 949	14 778
1986 Q1	11 756†	1 785†	1 360†	2 231†	703†	2 934†	4 516†	1 422†	6 029†	14 901†
Q2	11 707	1 757	1 379	2 495	620	3 115	4 481	1 385	5 862	14 843
Q3	12 434	1 698	1 335	2 667	621	3 288	4 681	1 410	6 088	15 467
Q4	12 554	1 709	1 324	2 783	678	3 461	4 677	1 406	6 043	15 587
1987 Q1	12 505	1 750	1 242	2 700	683	3 383	4 695	1 375	6 044	15 497
Q2	13 244	1 639	917	2 619	663	3 282	4 556	1 539	6 423	15 800
Q3	13 482	1 583	1 161	2 889	620	3 509	4 725	1 574	6 418	16 226
Q4	13 849	1 775	1 096	2 579	692	3 271	5 139	1 590	6 720	16 720
1988 Q1	14 175	1 674	1 051	2 907	636	3 543	5 124	1 483	6 750	16 900
Q2	15 082	1 649	1 079	3 203	680	3 883	5 201	1 657	7 069	17 810
Q3	14 534	1 589	1 018	3 132	664	3 796	4 949	1 643	6 753	17 141
Percentage change, quarter on corresponding quarter of previous year										
1983 Q3	*-4.8*	*33.1*	*8.3*	*3.0*	*30.0*	*9.2*	*-2.9*	*-11.0*	*3.4*	*0.8*
Q4	*3.3*	*27.8*	*3.6*	*9.4*	*12.7*	*10.4*	*2.3*	*11.1*	*6.7*	*8.2*
1984 Q1	*10.8*	*5.4*	*-0.7*	*14.7*	*-8.3*	*8.8*	*7.4*	*23.4*	*4.9*	*8.3*
Q2	*12.7*	*23.8*	*-9.7*	*8.2*	*5.7*	*7.7*	*13.9*	*6.0*	*9.7*	*10.2*
Q3	*14.8*	*15.1*	*-11.6*	*3.1*	*-0.1*	*2.3*	*9.5*	*25.2*	*12.8*	*10.6*
Q4	*10.6*	*5.6*	*-18.6*	*-7.2*	*-9.4*	*-7.7*	*5.1*	*17.7*	*10.8*	*5.5*
1985 Q1	*20.0*	*-9.0*	*-26.9*	*-13.3*	*-10.8*	*-12.8*	*0.8*	*39.3*	*24.3*	*9.9*
Q2	*6.5*	*3.6*	*-22.2*	*-3.9*	*-11.1*	*-5.5*	*1.4*	*7.6*	*6.8*	*2.4*
Q3	*7.8*	*0.3*	*-27.4*	*-0.7*	*-9.7*	*-2.8*	*0.4*	*-5.4*	*9.1*	*2.4*
Q4	*4.3*	*3.7*	*-26.7*	*5.0*	*-9.3*	*1.7*	*-1.7*	*-18.1*	*7.4*	*0.6*
1986 Q1	*-8.3*	*20.2*	*-11.2*	*-3.0*	*8.7*	*-0.4*	*-*	*-33.7*	*-3.2*	*-5.9*
Q2	*0.7*	*5.8*	*-6.1*	*5.3*	*-0.3*	*4.1*	*-4.0*	*-5.5*	*4.2*	*0.6*
Q3	*5.1*	*-0.6*	*-2.7*	*13.2*	*-4.8*	*9.3*	*4.0*	*-4.0*	*2.5*	*3.7*
Q4	*6.7*	*-1.2*	*3.2*	*17.7*	*10.2*	*16.1*	*4.0*	*3.8*	*1.6*	*5.5*
1987 Q1	*6.4*	*-2.0*	*-8.7*	*21.0*	*-2.8*	*15.3*	*4.0*	*-3.3*	*0.2*	*4.0*
Q2	*13.1*	*-6.7*	*-33.5*	*5.0*	*6.9*	*5.4*	*1.7*	*11.1*	*9.6*	*6.4*
Q3	*8.4*	*-6.8*	*-13.0*	*8.3*	*-0.2*	*6.7*	*0.9*	*11.6*	*5.4*	*4.9*
Q4	*10.3*	*3.9*	*-17.2*	*-7.3*	*2.1*	*-5.5*	*9.9*	*13.1*	*11.2*	*7.3*
1988 Q1	*13.4*	*-4.3*	*-15.4*	*7.7*	*-6.9*	*4.7*	*9.1*	*7.9*	*11.7*	*9.1*
Q2	*13.9*	*0.6*	*17.7*	*22.3*	*2.6*	*18.3*	*14.2*	*7.7*	*10.1*	*12.7*
Q3	*7.8*	*0.4*	*-12.3*	*8.4*	*7.1*	*8.2*	*4.7*	*4.4*	*5.2*	*5.6*

1 Including purchases *less* sales of land and existing buildings.
2 Including transfer costs of land and buildings.


Gross domestic fixed capital formation—by sector
£ million 1985 prices
seasonally adjusted
16,000
14,000
12,000
10,000
8,000
4,000
2,000
0
Private
General
government
Public
corporations
1983
1984
1985
1986
1987
1988


Gross domestic fixed capital formation—by type of asset
£ million 1985 prices
seasonally adjusted
10,000
8,000
6,000
4,000
2,000
0
Plant and machinery
Other new buildings
and works
Dwellings
Vehicles, ships
and aircraft
1983
1984
1985
1986
1987
1988

10 Indicators of fixed investment by manufacturing industry

	Gross fixed investment by manufacturing industry (excluding leased assets)							
	Plant and machinery			New building and works				
	Gross fixed investment		CBI Intentions Inquiry: balance[1] (NSA)	Gross fixed investment		CBI Intentions Inquiry: balance[1] (NSA)	Total+ (£ million, 1985 prices)	New orders received by contractors for private industrial work(GB) (£ million, 1985 prices)
	Total (£ million, 1985 prices)	Change on year earlier (percentage)		Total (£ million, 1985 prices)	Change on year earlier (percentage)			
	DFQP		FBAD	DFQQ		FBAG	DECV	DPBT
1978	7 386	*6.6*	..	1 386	*12.2*	..	9 763	2 389
1979	7 714	*4.4*	..	1 417	*2.2*	..	10 136	2 389
1980	6 885	*-10.7*	..	1 143	*-19.3*	..	8 761	1 923
1981	5 165	*-25.0*	..	834	*-27.0*	..	6 579	1 718
1982	5 062	*-2.0*	..	714	*-14.4*	..	6 360	1 455
1983	5 196	*2.6*	..	634	*-11.2*	..	6 422	1 723
1984	6 232	*19.9*	..	929	*46.5*	..	7 810	2 426
1985	7 029	*12.8*	..	1 110	*19.5*	..	8 735	2 149
1986	6 911†	*-1.7*	..	1 006	*-9.4*	..	8 478	2 088
1987	7 290	*5.5*	..	1 214	*20.7*	..	9 090	3 463[2]
	DFQP		FBAD	DFQQ		FBAG	DECV	DPBT
1984 Q2	1 510	*17.7*	*21*	228	*49.0*	*-3*	1 904	558
Q3	1 576	*21.0*	*14*	228	*35.7*	*-5*	1 951	596
Q4	1 680	*21.7*	*18*	268	*59.5*	*-5*	2 104	734
1985 Q1	1 737	*18.5*	*11*	301	*46.8*	*-8*	2 192	524
Q2	1 736	*15.0*	*14*	299	*31.1*	*-3*	2 177	654
Q3	1 756	*11.4*	-	256	*12.3*	*-21*	2 161	484
Q4	1 800	*7.1*	*4*	254	*-5.2*	*-21*	2 205	486
1986 Q1	1 807†	*4.0*	*2*	227	*-24.6*	*-16*	2 178	492
Q2	1 653	*-4.8*	*10*	204	*-31.8*	*-15*	2 001	506
Q3	1 762	*0.3*	*5*	270	*5.5*	*-15*	2 181	593
Q4	1 689	*-6.2*	*8*	305	*20.1*	*-13*	2 118	497
1987 Q1	1 656	*-8.4*	*10*	271	*19.4*	*-10*	2 074	637
Q2	1 823	*10.3*	*13*	335	*64.2*	*-3*	2 302	578
Q3	1 877	*6.5*	*20*	313	*15.9*	*1*	2 334	1 722[2]
Q4	1 934	*14.5*	*17*	295	*-3.3*	*-3*	2 380	526
1988 Q1	1 938	*17.0*	*20*	293	*8.1*	*1*	2 385	700
Q2	2 143	*17.6*	*32*	310	*-7.5*	*6*	2 609	628
Q3	2 038	*8.6*	*19*	323	*3.2*	*-6*	2 516	625
Q4	..	..	*21*	..	..	*-4*	..	..

1 Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less.
2 Includes the Channel Tunnel project.

Sources: Department of Trade and Industry; Central Statistical Office; Confederation of British Industry; Department of the Environment

11 Department of Trade and Industry Inquiry into investment intentions: manufacturing industry[1]

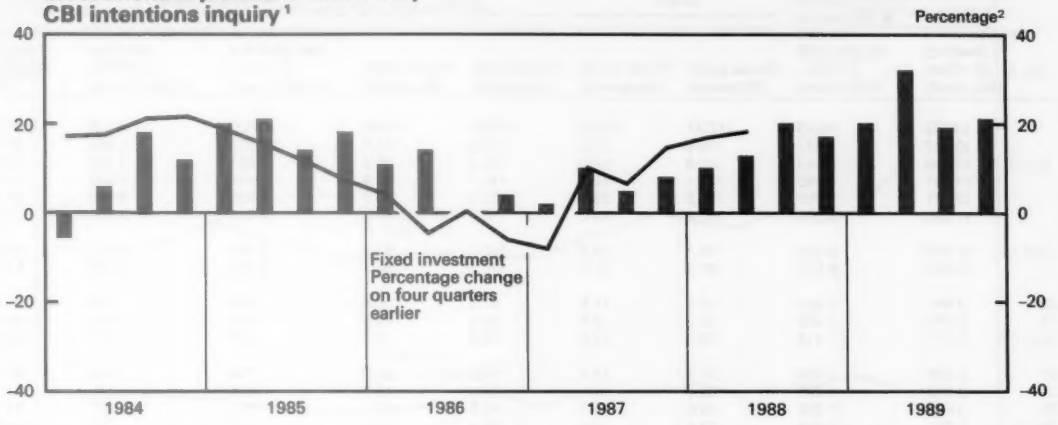
Percentage change over previous year, in volume terms

	Gross fixed investment (excluding leased assets)				
	First December forecast	First June forecast	Second December forecast	Second June forecast	Actual
1976	Further reduction	Little change	-5 to -8	About -6	-5
1977	Large increase	Of order of +15	+10 to +15	+6 to + 10	+5
1978	Strong increase	+20 or more	+10 to +13	+10 to +13	+7
1979	Rise, less than +8	Rise, less than +8	+4 to +8	+2 to +5	+4
1980	Slight fall	Slight fall	-6 to -10	-8 to -12	-14
1981	Further fall	Fall of up to 8 to 12	-15 to -20	-15 to -18	-25
1982	Some recovery	Some recovery	-1 to -3	-3 to -5	-3
1983	Appreciable increase	Rise, around 5	Fall, up to 5	Fall, around 4	+2
1984	No recovery	Slow growth	Rise, around 10	About +12	+20
1985	Little change	Rise, around 6	About +7	Around +9	+12
1986	Slight fall	Slight fall	Rise, around 4	About +6	-2
1987	Little change	Small increase	Rise, around 3	About +8	+7
1988	Further rise	Further increase	Rise, around 12	Rise, around 15	
1989	Smaller increase	Smaller increase	Rise, around 11		
1990	Smaller increase				

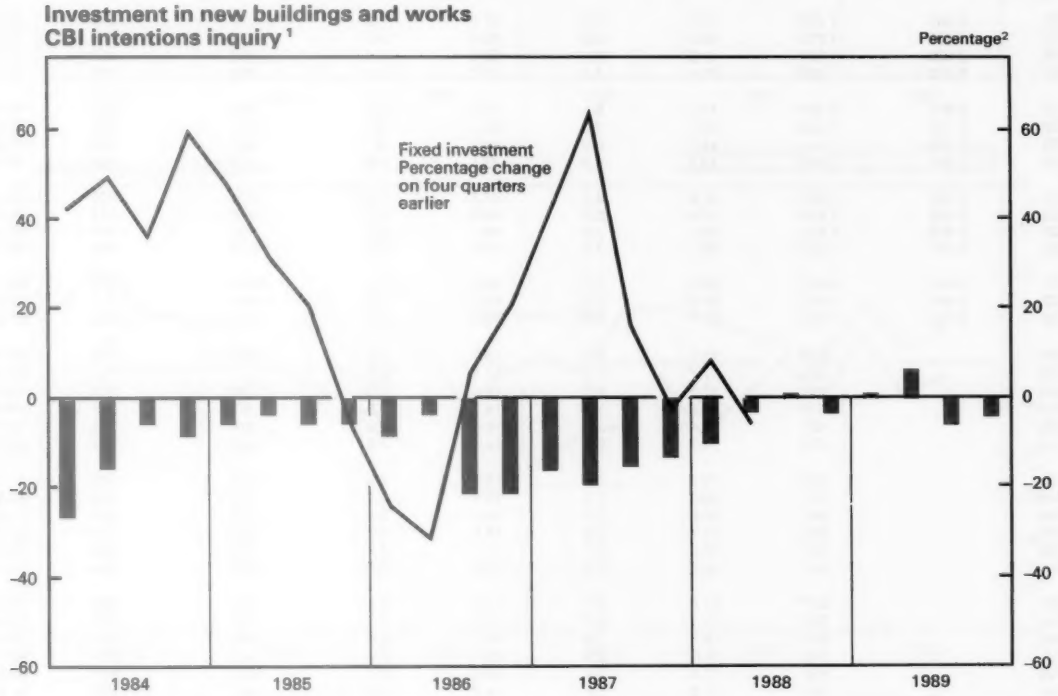
1 The figures in this table relate to manufacturing industry defined as Orders III to XIX, Standard Industrial Classification (1968) for 1983 and earlier years, and as Divisions 2 to 4, Standard Industrial Classification (1980) for 1984 onwards.

Source: Department of Trade and Industry

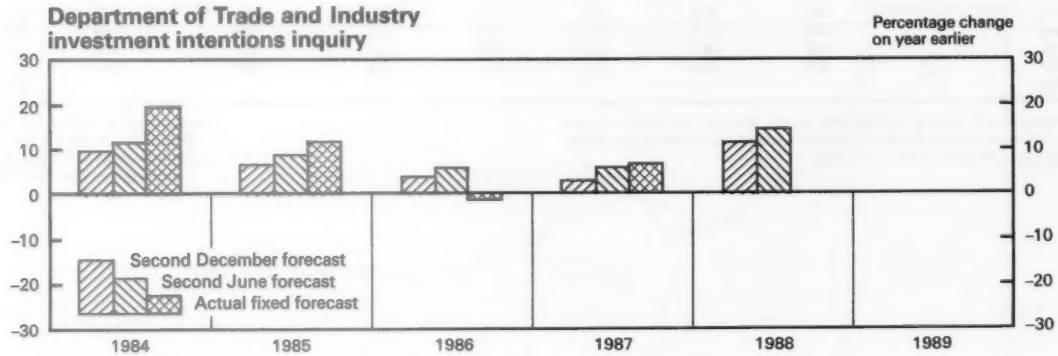
Investment in plant and machinery
CBI intentions inquiry [1]



Investment in new buildings and works
CBI intentions inquiry [1]



Department of Trade and Industry
investment intentions inquiry



[1]The results of the CBI intentions inquiry have been moved forward one year for direct comparison with the percentage change in fixed investment

[2]Percentage of firms expecting to authorise more in next 12 months *less* percentage expecting to authorise less

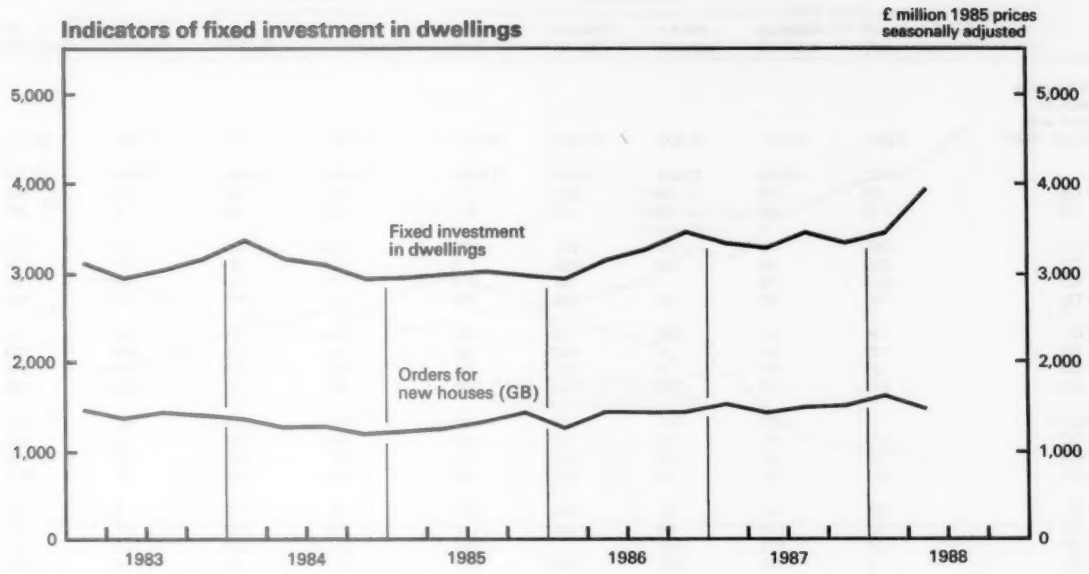
12 Indicators of fixed investment in dwellings

	Fixed investment in dwellings (£ million, 1985 prices)	Orders received by contractors for new houses (GB) (£ million, 1985 prices)	Housing starts (GB)+		Housing completions (GB)+		Building societies		Average price of new dwellings: mortgages approved[1] (NSA)
			Private sector (thousands)	Public sector (thousands)	Private sector (thousands)	Public sector (thousands)	Commitments on new dwellings (£ million, current prices)	Advances on new dwellings (£ million, current prices)	
	DFEG	FCAS	FCAT	FCAU	FCAV	FCAW	AHLO	AHLS	FCAY
1981	10 247	3 437	116.9	37.2	115.0	84.8	1 427	1 456	28 028
1982	10 899	4 762	140.8	52.9	124.8	50.2	1 931	1 716	28 508
1983	12 247	4 686	171.1	48.8	146.1	50.9	2 419	2 330	31 678
1984	12 571	4 293	156.9	39.9	157.2	50.7	2 980	2 900	34 160
1985	11 928	5 290†	162.8	34.2	152.1	40.0	2 963	2 900	37 304
1986	12 798†	5 642	176.1	33.0	163.2	34.8	3 626	3 517	43 647
1987	13 445	6 010	191.3	31.7	170.7	32.1†	3 702	3 488	51 290
1983 Q2	2 941	1 394	42.3	11.8	37.5	12.5	564	563	31 825
Q3	3 025	1 438	40.7	9.8	36.0	13.0	585	587	32 245
Q4	3 177	1 412	42.8	12.0	38.3	13.1	676	618	32 096
1984 Q1	3 378	1 389	40.7	12.4	40.0	12.5	735	689	33 086
Q2	3 167	1 298	39.7	10.2	37.6	13.1	818	727	34 345
Q3	3 095	1 299	38.6	9.3	40.5	12.8	704	757	34 906
Q4	2 931	1 216	37.9	8.0	39.1	12.3	723	727	34 338
1985 Q1	2 947	1 233	37.3	8.5	37.9	11.3	717	715	35 658
Q2	2 992	1 270	40.8	8.5	39.0	10.5	684	718	36 556
Q3	3 009	1 347	41.3	8.4	36.9	9.4	738	697	37 625
Q4	2 980	1 439	43.4	8.8	38.3	8.8	824	770	39 458
1986 Q1	2 934†	1 290	41.2	8.1	38.5	9.0	823	809	40 470
Q2	3 115	1 460	43.7	7.9	40.1	9.1	1 017	876	43 443
Q3	3 288	1 441	46.7	8.8	41.3	8.1	967	924	45 065
Q4	3 461	1 450	44.5	8.2	43.1	8.6	819	908	45 749
1987 Q1	3 383	1 537	47.6	8.1	42.5	7.6	824	850	47 460
Q2	3 282	1 448	45.5	8.3	42.8	8.4	892	851	49 604
Q3	3 509	1 501	48.1	7.6	43.1	8.2	968	881	52 428
Q4	3 271	1 525	50.1	7.7	42.3	7.9	1 018	906	55 474
1988 Q1	3 543	1 624†	55.5	7.5	48.0	8.1	1 284	1 123	60 395
Q2	3 883	1 492	52.9†	7.3	44.3†	7.8	1 380	1 211	63 342
Q3	3 796	1 512	50.1	7.3†	46.4	8.0†	1 213	1 282	67 425†
1987 Jan	..	549	14.1	2.6	13.7	2.5	264	279	46 545
Feb	..	536	17.7	2.8	14.4	2.8	274	282	47 385
Mar	..	452	15.8	2.7	14.4	2.3	286	289	48 127
Apr	..	478	14.8	2.7	14.3	2.8	297	295	49 046
May	..	494	16.4	2.8	14.4	2.8	291	274	49 973
Jun	..	475	14.3	2.8	14.1	2.8	304	282	49 797
Jul	..	546	15.3	2.4	14.4	2.9	332	293	51 786
Aug	..	474	16.2	2.5	14.6	2.5	323	284	52 898
Sep	..	481	16.6	2.7	14.1	2.8	313	304	52 635
Oct	..	482	14.7	2.5	14.2	2.7	335	306	54 594
Nov	..	490	16.9	2.7	14.1	2.7	345	296	55 225
Dec	..	553	18.5	2.5	14.0	2.5	338	304	56 806
1988 Jan	..	627	21.8	2.7	17.8	2.4	370	320	56 918
Feb	..	588	17.1	3.0	15.5	2.8	434	379	59 064
Mar	..	410	16.6	1.8	14.7	2.9	480	424	63 688
Apr	..	546	18.5†	2.5	15.1†	2.7	445	379	62 304
May	..	452	17.4	2.4	15.0	2.7	454	397	63 060
Jun	..	494	17.0	2.4	14.2	2.4	481	435	64 578
Jul	..	461	16.8	2.5†	17.2	2.6†	506	423	66 577
Aug	..	548†	17.3	3.0	15.5	2.7	369	453	66 326
Sep	..	503	16.0	1.8	13.7	2.7	338	406	69 915
Oct	..	516	16.4	2.1	14.4	2.0	342†	364†	67 488
Nov	..	..	..	..	..	..	..	..	69 956†

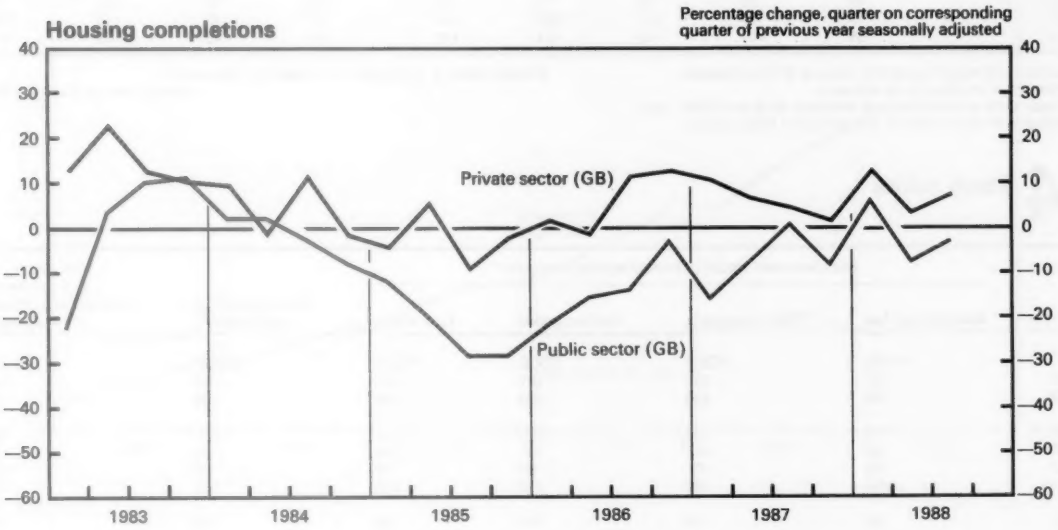
1 Mortgages with building societies by private owners. The series covers only dwellings on which building societies have approved mortgages during the period. The cost of land is included.

Department of the Environment; Scottish Development Department; Building Societies Association

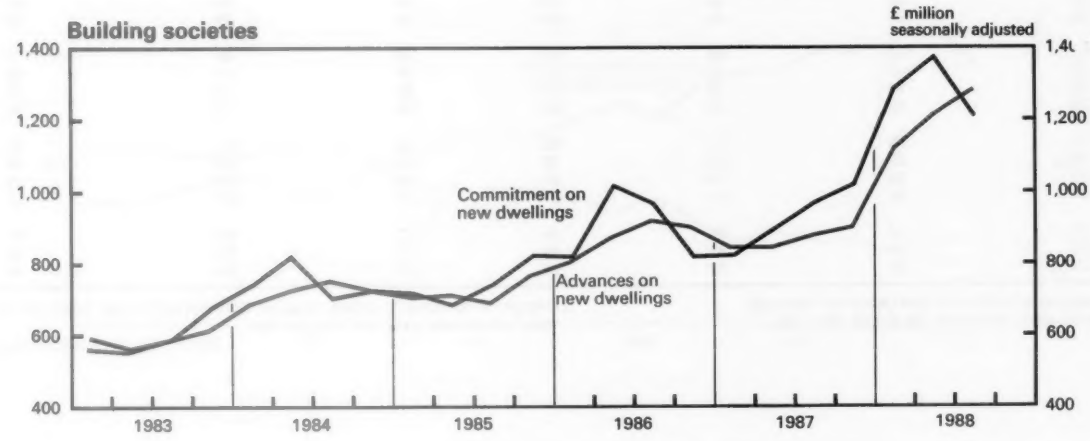
Indicators of fixed investment in dwellings



Housing completions



Building societies



13 Stock changes

£ million, 1985 prices

	Energy and water supply	Manufacturing: Materials and fuels	Manufacturing: Work in progress	Manufacturing: Finished goods	Manufacturing: Total	Distribution: Wholesale[1]	Distribution: Retail[2]	Other industries	All industries
Value of stocks and work in progress end-December 1987[3]	5 992	12 871	15 900	12 602	41 373	14 152	11 262	19 798	92 577
	DHBQ	DGAX	DGAY	DGAW	DHBM	DHBO	DHBN	DHBR	DGBA
1983 Q3	83	-140	70	-201	-271	131	169	473	585
Q4	-110	133	63	115	311	-85	49	119	284
1984 Q1	-260	-16	177	217	378	-48	201	70†	341†
Q2	-330	64	170	-228	6	-18	34	124	-184
Q3	-235	179	-	136	315	75	-142	76	89
Q4	-160	96	34	229	359	27	398	202	826
1985 Q1	-76	43	-300	70	-187	-66	-61	196	-194
Q2	-122	21	11	206	238	152	126	209	603
Q3	-25	192	-9	-62	121	-137	129	230	318
Q4	209	-118	-378	-142	-638	-34	51	254	-158
1986 Q1	4	-22	-146	-82	-250	318	175	120	367
Q2	-243	110	60	50	220	-90	183	123	193
Q3	-95	-57	-55	-52	-164	-289	115	-25	-458
Q4	121	-137	18	-90	-209	326	258	21	517
1987 Q1	-95	-19	-92	-92	-203	96	75	8	-119
Q2	-55	-18	-40	-120	-177	69	243	81	161
Q3	25	112	296	1	410	215	357	128	1 135
Q4	4	-31	-369	25	-375	101	54	-18	-234
1988 Q1	-95	15	32	12	59	-112	66	157	75
Q2	12	73†	127†	203†	402†	124†	149	112	799
Q3	-55†	-45	-42	-54	-141	143	43†	-102	-112

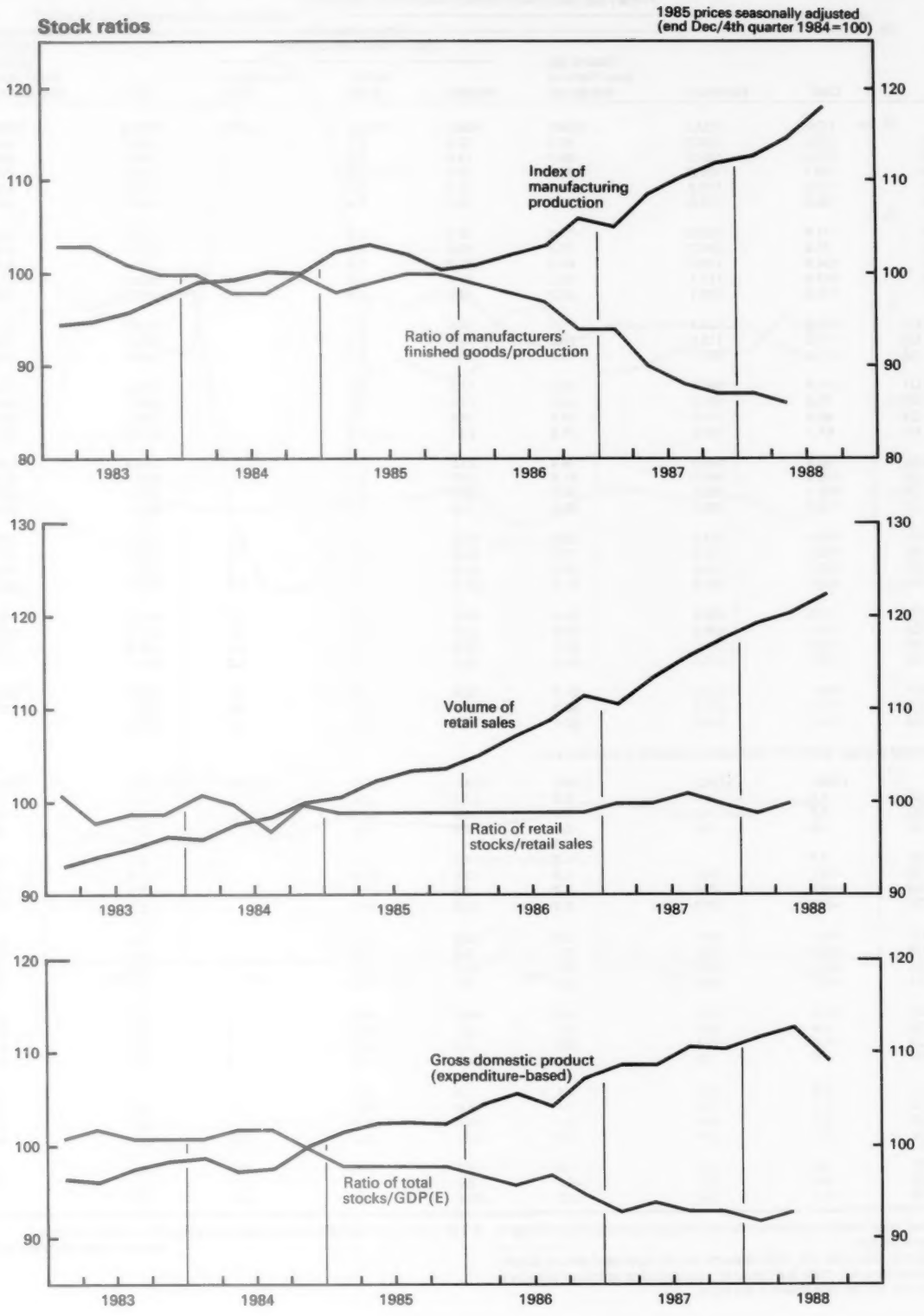
1 Classes 61-63 excluding activity heading 6148; wholesale distribution of motor vehicles and parts.
2 Classes 64-65 excluding activity headings 6510 and 6520; retail distribution of motor vehicles and parts, and filling stations.
3 Stock levels at 1985 prices, not seasonally adjusted.

Source: Central Statistical Office

14 Stock ratios

	Manufacturers' stocks[1] to manufacturing production: Materials and fuel	Manufacturers' stocks[1] to manufacturing production: Work in progress	Manufacturers' stocks[1] to manufacturing production: Finished goods	Manufacturers' stocks[1] to manufacturing production: Total stocks	Retail stocks[1] to retail sales[2,3]	Total stocks[1] to gross domestic product (expenditure-based)[2]
	FDCC	FDCD	FDCE	FDCB	FDCF	FDCA
1983 Q3	101	102	101	101	99	101
Q4	100	100	100	100	99	101
1984 Q1	98	100	102†	100†	102†	100†
Q2	98†	102†	101	100	99	102
Q3	100	101	96	99	98	103
Q4	100	100	100	100	100	100
1985 Q1	98	96	99	98	99	99
Q2	97	97	101	99	98	99
Q3	100	98	98	99	99	99
Q4	101	96	100	99	99	98
1986 Q1	100	95	100	98	99	97
Q2	100	95	101	98	99	96
Q3	99	94	95	96	99	98
Q4	95	90	94	92	99	94
1987 Q1	95	91	95	93	100	93
Q2	92	88	92	91	100	94
Q3	92	89	87	89	102	94
Q4	90	84	87	87	100	93
1988 Q1	89	84	88	87	99	92
Q2	88	84	89	87	99	92
Q3	86	82	82	83	99	96

1 Measured at 1985 prices; end-December 1984=100.
2 Measured at 1985 prices; 4th quarter 1984=100.
3 Classes 64-65 excluding activity headings 6510 and 6520, retail distribution of motor vehicles and parts, and filling stations.


Stock ratios
1985 prices seasonally adjusted
(end Dec/4th quarter 1984=100)
120
110
100
90
80
Index of manufacturing production
Ratio of manufacturers' finished goods/production
1983
1984
1985
1986
1987
1988
130
120
110
100
90
Volume of retail sales
Ratio of retail stocks/retail sales
120
110
100
90
Gross domestic product (expenditure-based)
Ratio of total stocks/GDP(E)

15 Inland energy consumption

Annual rates, temperature corrected

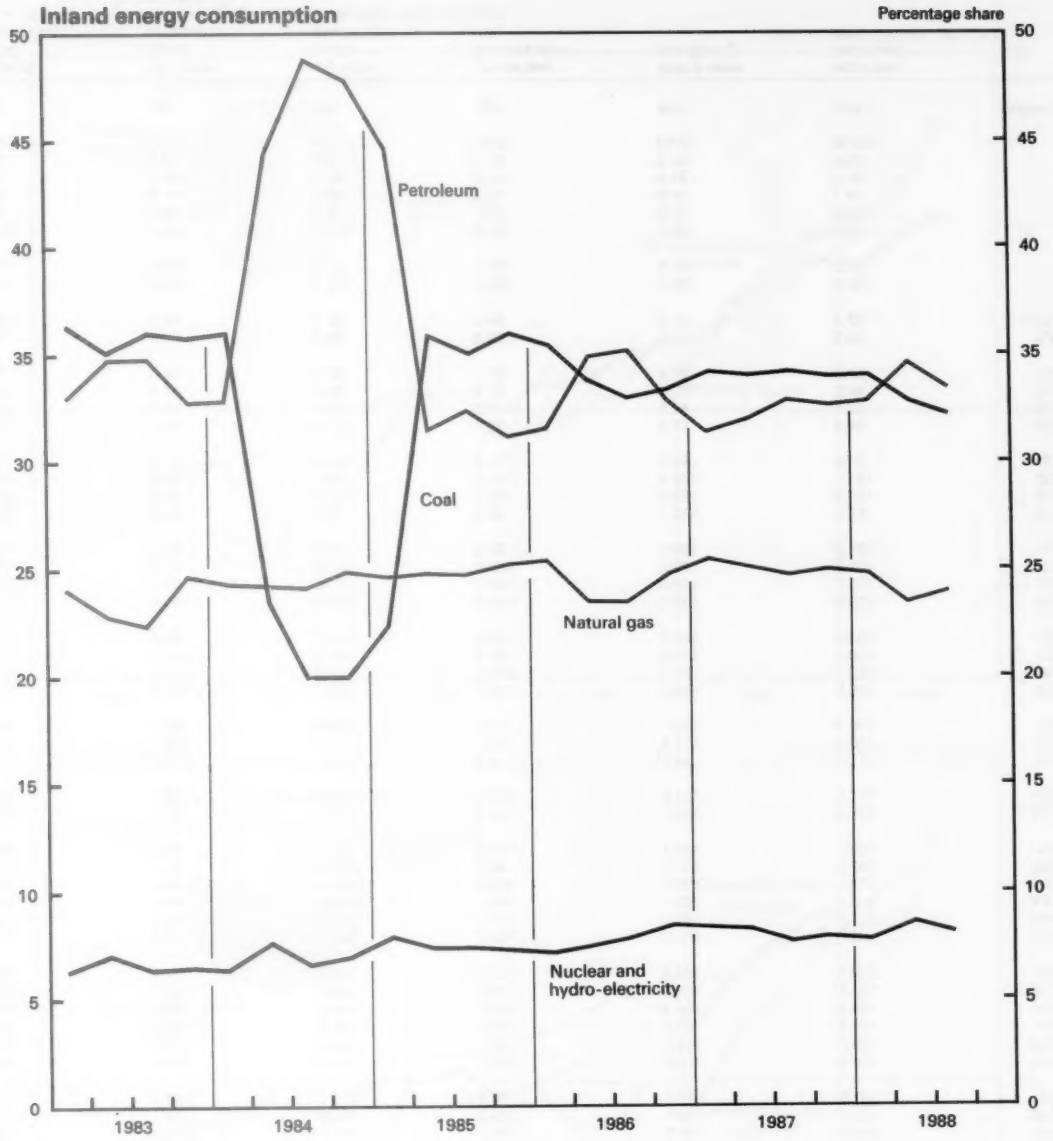
	Primary fuel input (million tonnes of coal or coal equivalent)							Public supply: electricity available (GB)[3] (billion kilowatt hours)
				Primary electricity (not temperature corrected)				
	Coal[1]	Petroleum	Natural gas (excl. flared or re-injected)	Nuclear	Hydro[2] (NSA)	Net imports (NSA)	Total	
	FDAI	FDAJ	FDAK	FDAL	FDAM	FDAW	FDAH	FDAN
1978	119.4	139.2	65.0	13.4	2.1	-	339.1	246.3
1979	127.2	137.0	69.1	13.8	2.2	-	349.3	255.0
1980	120.1	121.2	70.5	13.4	2.0	-	327.2	245.9
1981	117.5	110.2	71.6	13.7	2.3	-	315.3	239.2
1982	109.6	110.8	72.9	16.0	2.4	-	311.7	236.2
1983	111.6	105.9	75.6	18.1	2.4	-	313.6	242.3
1984	78.5	134.7	77.3	19.5	2.1	-	312.1	246.0
1985	104.9	113.2	80.9	22.2	2.2	-	323.4	255.8
1986	112.6	111.1	80.5	21.4	2.4	1.7	330.0	261.3
1987	113.3	108.1	84.2	19.8	2.2	4.7	332.3	269.9
1983 Q2	108.8	108.4	71.1	19.4	2.7	-	310.4	241.7
Q3	117.2	112.6	72.6	18.9	1.7	-	323.0	248.4
Q4	111.4	101.7	76.8	17.8	2.2	-	309.9	242.8
1984 Q1	111.4	103.1	76.6	17.5	2.4	-	310.9	242.3
Q2	70.0	136.5	74.7	21.6	2.0	-	304.7	244.3
Q3	60.9	152.8	76.0	19.5	1.4	-	310.7	250.3
Q4	61.1	149.8	78.6	20.1	2.0	-	311.5	247.2
1985 Q1	70.8	143.0	79.4	23.3	2.1	-	318.5	249.8
Q2	116.8	103.1	81.5	22.3	2.0	-	325.7	258.4
Q3	116.1	106.6	80.9	22.3	2.1	-	329.0	260.2
Q4	116.3	100.0	80.9	21.0	2.2	-	320.3	254.9
1986 Q1	115.4	103.0	83.3	21.0	2.2	0.2	324.9	258.3
Q2	112.3	116.9	79.0	21.2	2.2	1.6	333.3	265.3
Q3	108.7	116.6	78.0	21.8	2.4	1.3	328.1	260.4
Q4	109.3	107.8	81.7	21.6	2.3	3.9	326.6	261.0
1987 Q1	111.3	102.8	83.4	21.4	2.3	3.7	324.8	263.9
Q2	114.7	108.0	84.6	20.0	2.2	5.4	334.9	269.4
Q3	115.5	111.3	84.3	18.9	2.2	4.7	336.8	272.7
Q4	115.1	110.4	84.9	18.9	2.1	5.2	337.1	273.7
1988 Q1	116.1	112.3	84.7	19.4	2.3	5.1	339.8	266.8
Q2	110.3	117.2	80.3	21.4	2.3	5.6	337.1	272.7
Q3	110.1	115.0	82.4	25.2	2.4	5.7	340.8	..
Percentage change, quarter on corresponding quarter of previous year								
	FDAP	FDAQ	FDAR	FDAS	FDAT	FDAX	FDAO	FDAU
1983 Q2	*-2.3*	*-1.4*	*5.8*	*37.2*	*8.4*	-	*1.7*	*2.7*
Q3	*5.5*	*-1.0*	*1.0*	*0.6*	*-18.7*	-	*1.3*	*2.0*
Q4	*3.5*	*-3.2*	*2.6*	*2.8*	*-13.4*	-	*0.7*	*2.8*
1984 Q1	*-0.8*	-	*1.7*	*4.3*	*-15.8*	-	*0.2*	*2.5*
Q2	*-35.7*	*25.9*	*5.0*	*10.9*	*-25.8*	-	*-1.8*	*1.1*
Q3	*-48.0*	*35.8*	*4.7*	*2.8*	*-15.6*	-	*-3.8*	*0.8*
Q4	*-45.2*	*47.3*	*2.3*	*12.6*	*-9.6*	-	*0.5*	*1.8*
1985 Q1	*-36.4*	*38.7*	*3.6*	*33.3*	*-12.0*	-	*2.4*	*3.1*
Q2	*66.9*	*-24.4*	*9.1*	*3.6*	*-15.9*	-	*6.8*	*5.8*
Q3	*90.7*	*-30.3*	*6.4*	*14.2*	*-6.8*	-	*5.6*	*4.0*
Q4	*90.5*	*-33.3*	*2.9*	*4.7*	*5.8*	-	*2.8*	*3.1*
1986 Q1	*62.9*	*-28.0*	*4.9*	*-10.0*	*6.8*	+	*2.0*	*3.4*
Q2	*-3.8*	*13.4*	*-3.1*	*-5.2*	*14.4*	+	*2.3*	*2.6*
Q3	*-6.4*	*9.4*	*-3.6*	*-1.9*	*14.6*	+	*-0.3*	*0.1*
Q4	*-8.1*	*7.8*	*1.1*	*2.5*	*6.0*	+	*2.0*	*2.4*
1987 Q1	*-3.5*	*-0.2*	*0.1*	*1.9*	*2.7*	+	-	*2.2*
Q2	*2.1*	*-7.6*	*7.1*	*-5.6*	*-0.2*	+	*0.5*	*1.6*
Q3	*6.2*	*-4.6*	*8.1*	*-13.6*	*-5.9*	+	*2.7*	*4.7*
Q4	*5.3*	*2.4*	*3.9*	*-12.7*	*-7.4*	*32.9*	*3.2*	*4.9*
1988 Q1	*4.2*	*-0.5*	*1.5*	*-9.1*	*0.4*	*40.3*	*4.6*	*1.1*
Q2	*-3.8*	*8.5*	*-5.1*	*6.9*	*4.1*	*3.7*	*0.6*	*1.2*
Q3	*-4.7*	*3.4*	*-2.3*	*33.6*	*6.4*	*23.2*	*1.2*	..

1 Annual data includes adjustment for net foreign trade and stock change in other solid fuels.

2 Quarterly data from Q1 1985 onwards are the estimated annual outturn. Comparisons with 1984 are based on corresponding estimated outturns in that year, not the data shown in the table.

3 The inclusion of Northern Ireland would add about 2 per cent to the total.

Source: Department of Energy


Inland energy consumption
Percentage share
50
45
40
35
30
25
20
15
10
5
0
Petroleum
Coal
Natural gas
Nuclear and
hydro-electricity
1983
1984
1985
1986
1987
1988

16 Index of output of the production industries

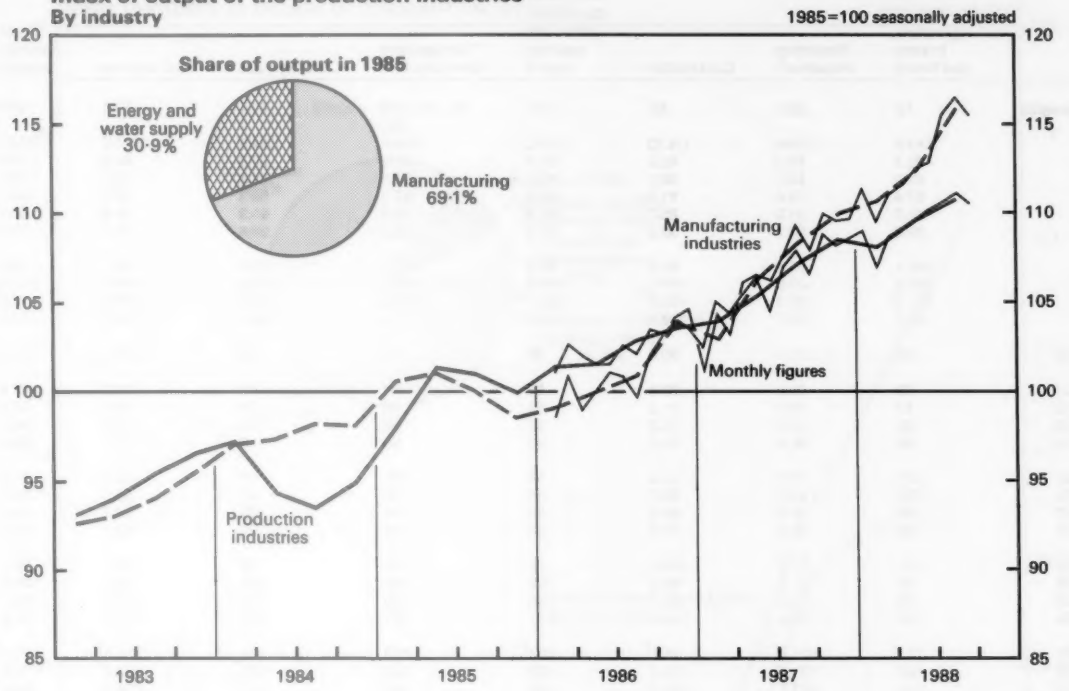
1985 = 100

	Total production industries	Energy and water supply	Total manufacturing industries[1]	By market sector: Consumer goods industries	Investment goods industries	Intermediate goods industries
1985 weights	*1 000*	*309*	*691*	*242*	*195*	*563*
	DVIM	DVIN	DVIS	DVJP	DVJV	DVJZ
1981	89.6	86.4	91.0	93.3	90.3	87.5
1982	91.3	91.6	91.2	92.8	91.3	90.3
1983	94.7	96.8	93.8	95.7	91.8	95.2
1984	94.9	88.8	97.7	98.3	95.8	93.2
1985	100.0	100.0	100.0	100.0	100.0	100.0
1986	102.3	105.4	101.0	101.6	99.0	103.7
1987	106.2	105.0	106.8	106.7†	103.6†	107.0†
1983 Q3	95.3	98.3	94.0	96.7	90.8	96.3
Q4	96.5	98.8	95.5	96.8	93.5	97.5
1984 Q1	97.2	97.4	97.1	98.0	94.3	97.9
Q2	94.3	87.4	97.3	99.0	94.4	92.2
Q3	93.5	83.0	98.2	98.6	96.6	90.3
Q4	94.8	87.3	98.1	97.8	98.1	92.4
1985 Q1	97.8	92.0	100.5	100.4	101.3	95.6
Q2	101.3	102.1	101.0	99.9	102.3	101.6
Q3	100.9	102.8	100.1	100.7	99.6	101.5
Q4	99.9	103.1	98.5	99.1	96.8	101.4
1986 Q1	101.3†	106.4	99.0	99.8	99.2†	102.7
Q2	101.7	105.4	100.0	101.2	97.5	103.3
Q3	102.7	107.0	100.8	101.8	97.5	104.9
Q4	103.6	102.7	104.0	103.8	101.9	104.1†
1987 Q1	103.9	106.2	102.9	103.2†	99.0	105.9
Q2	105.4	103.6	106.3	106.2	103.2	105.9
Q3	107.1	104.4	108.3	108.0	104.6	107.6
Q4	108.5	105.8	109.7†	109.2	107.4	108.5
1988 Q1	108.1	102.5	110.6	109.3	105.7	108.4
Q2	110.0	103.8	112.7	111.9	109.1	109.4
Q3	111.0	99.7†	116.0	114.1	114.4	108.5
1986 May	101.5	104.8	100.1†	100.8	98.7	102.8
Jun	101.6	103.1	101.0	101.7	99.4	102.4
Jul	102.7	106.7	100.8	101.1	98.6	104.8
Aug	102.0	107.4	99.5	101.8	94.7	104.6†
Sep	103.5	106.9	102.0	102.5	99.2	105.5
Oct	103.2	103.4	103.1	103.8	100.2	104.0
Nov	104.0	103.9	104.1	103.6	102.4	104.7
Dec	103.5	100.8	104.7	104.0	103.2	103.4
1987 Jan	102.4	105.3	101.0	102.5†	96.8	104.2
Feb	104.9†	106.2	104.3	103.6	101.1	106.8
Mar	104.4	106.9	103.3	103.5	99.3	106.6
Apr	105.5	104.1	106.0	106.0	102.9	106.1
May	106.3	105.9	106.5	106.7	103.4	107.2
Jun	104.6	100.8	106.2	105.9	103.5	104.4
Jul	107.0	105.6	107.6	107.7	102.5	106.2
Aug	107.7	104.1	109.3	108.6	106.2	107.9
Sep	106.8	103.5	108.0	107.7	105.0	106.7
Oct	108.7	106.0	109.9	109.1	107.2†	109.0
Nov	108.1	105.2	109.4	108.9	105.9	108.5
Dec	108.6	106.2	109.7	109.6	109.0	108.0
1988 Jan	108.8	103.2	111.3	110.0	103.4	110.1
Feb	106.9	101.1	109.4	108.3	104.9	106.9
Mar	108.6	103.1	111.1	109.6	108.7	108.2
Apr	109.4	103.7†	111.9	110.6	107.8	109.4
May	110.1	103.3	113.1	113.6	106.8	109.7
Jun	110.4	104.4	113.1	111.7	112.6	109.2
Jul	110.6	99.8	115.4	114.1	112.3	108.4
Aug	111.0	99.2	116.3	113.6	115.4	108.4
Sep	111.4	100.2	116.4	114.6	115.6	108.6
Oct	111.1	98.6	116.6	114.6	115.3	108.1

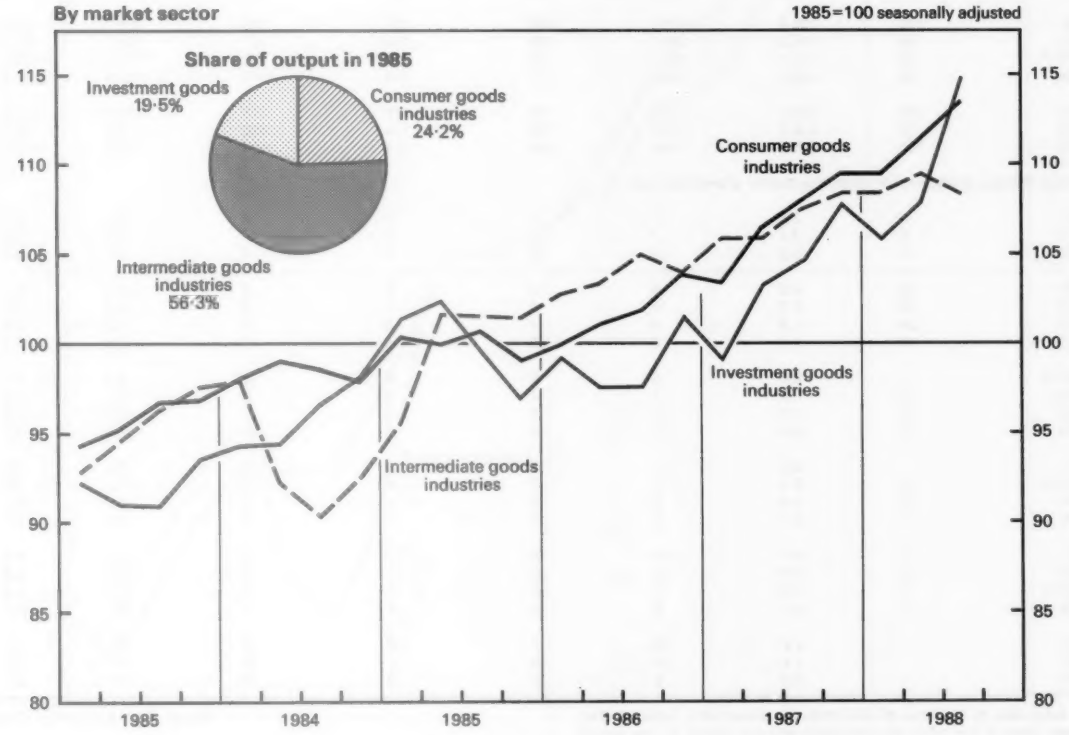
1 The figures for manufacturing industries contain an adjustment for stock changes and for measurement bias - see Annual Supplement 1988 edition.

Index of output of the production industries

By industry



By market sector

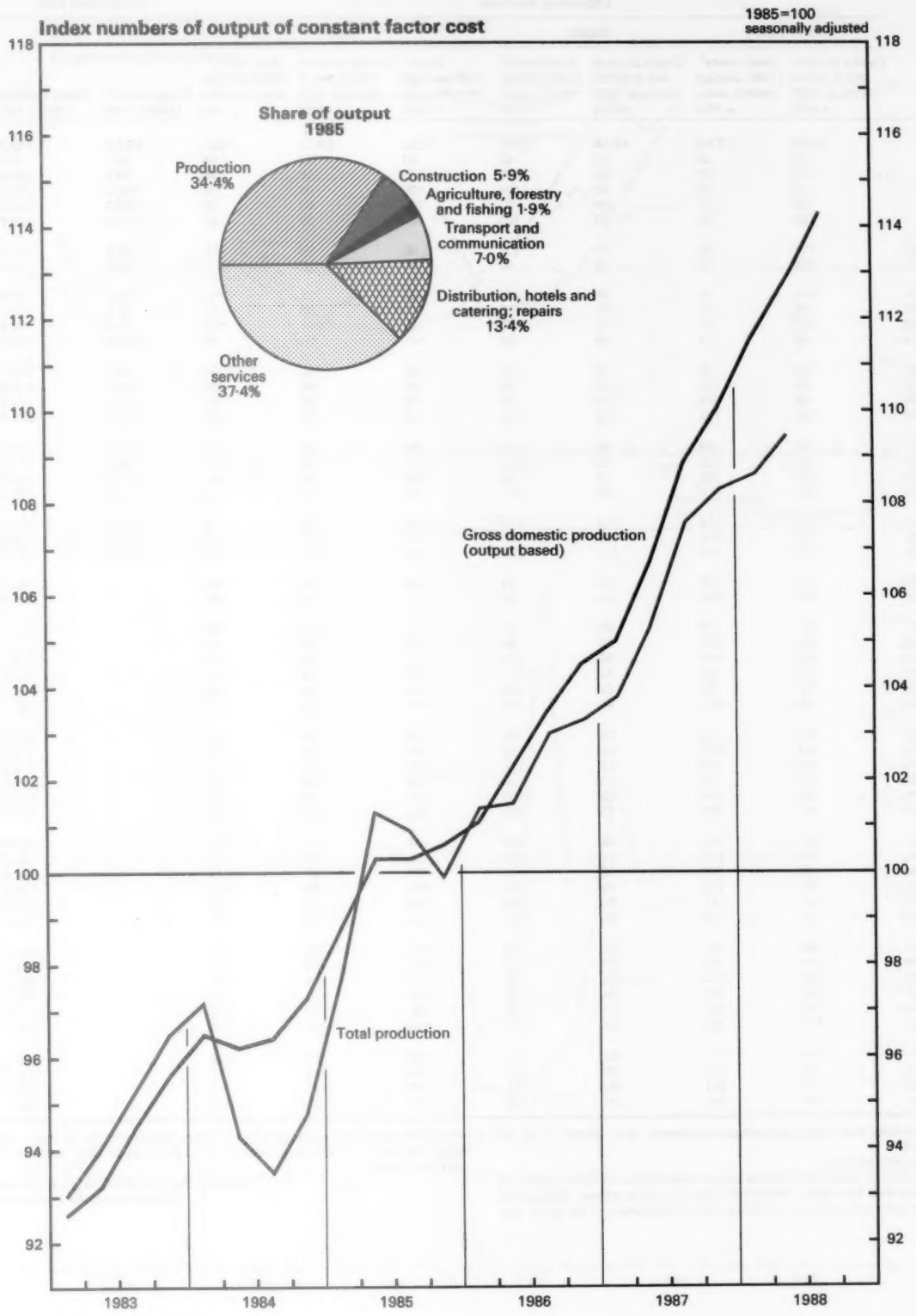


17 Index numbers of output at constant factor cost

1985 = 100

	Agriculture, forestry and fishing	Production industries[1]	Construction	Service industries: Distribution; hotels and catering; repairs	Service industries: Transport and communication	Service industries: Other services	Service industries: Total services	Gross domestic product
1985 weights	*19*	*344*	*59*	*134*	*70*	*374*	*578*	*1 000*
	CKAP	DVIM	DVJO	CKAQ	CKAR	CKAS	CKCE	DSAE
1979	76.7	99.0	93.9	93.4	93.0†	87.5	89.6	92.9
1980	85.2	92.5	88.7	87.7	91.0	89.4	89.2	90.2
1981	87.4	89.6	81.8	86.3	91.2	90.3	89.5	89.0
1982	94.7	91.3	88.3	87.9	90.3	91.9	90.8	90.9
1983	89.6	94.7	93.9	91.7	93.0	94.6	93.7	94.0
1984	105.1	94.9	98.5	95.8	97.1	97.6	97.1	96.6
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	101.2†	102.3	100.8†	104.1†	104.5	103.2†	103.6†	103.0†
1987	99.5	106.2	108.7	110.1	110.4	108.1	108.8	107.8
1982 Q4	94	91.1	90.8	89	91	93	91.7	91.5
1983 Q1	90	93.0	92.6	90	91	94	92.5	92.6
Q2	87	94.0	91.3	91	93	94	93.2	93.2
Q3	88	95.3	95.3	92	93	95	94.2	94.5
Q4	93	96.5	96.5	93	95	96	95.1	95.6
1984 Q1	101	97.2	97.6	94	95	97	95.9	96.5
Q2	107	94.3	98.7	95	96	97	96.7	96.2
Q3	108	93.5	99.5	96	98	98	97.5	96.4
Q4	105	94.8	98.2	98	99	99	98.4	97.3
1985 Q1	101	97.8	100.5	99	100	99	99.1	98.8
Q2	99	101.3	99.5	100	100	100	99.7	100.3
Q3	99	100.9	98.7	100	100	100	100.2	100.3
Q4	100	99.9	101.1	101	101	101	101.0	100.6
1986 Q1	101†	101.3†	96.7†	102†	103	101	101.7†	101.4†
Q2	102	101.7	101.0	103	103	103†	102.9	102.5
Q3	101	102.7	101.7	105	105	104	104.2	103.4
Q4	101	103.6	103.8	106	107†	105	105.5	104.7
1987 Q1	100	103.9	107.3	107	105	106	106.1	105.3
Q2	99	105.4	105.6	109	110	107	108.1	106.9
Q3	99	107.1	109.2	112	113	109	110.2	108.9
Q4	99	108.5	112.8	112	113	110	110.9	110.0
1988 Q1	100	108.1	118.5	115	116	111	112.7	111.3
Q2	99	110.0	115.9	115	116	112	113.8	112.3
Q3	100	111.0	115.5	119	117	114	115.3	113.6
Percentage change, quarter on corresponding quarter of previous year								
1983 Q2	*-9*	*2.3*	*5*	*4*	*2*	*3*	*3.1*	*2.7*
Q3	*-8*	*3.7*	*7*	*5*	*4*	*3*	*3.7*	*3.5*
Q4	*-1*	*5.9*	*6*	*5*	*4*	*3*	*3.7*	*4.5*
1984 Q1	*13*	*4.5*	*5*	*4*	*5*	*3*	*3.6*	*4.1*
Q2	*24*	*0.3*	*8*	*5*	*4*	*3*	*3.8*	*3.2*
Q3	*24*	*-1.9*	*4*	*4*	*5*	*3*	*3.5*	*2.1*
Q4	*13*	*-1.8*	*2*	*5*	*5*	*3*	*3.6*	*1.8*
1985 Q1	*-*	*0.6*	*3*	*5*	*5*	*3*	*3.4*	*2.4*
Q2	*-7*	*7.4*	*1*	*4*	*4*	*2*	*3.1*	*4.3*
Q3	*-9*	*7.9*	*-1*	*5*	*3*	*2*	*2.8*	*3.9*
Q4	*-5*	*5.4*	*3*	*4*	*2*	*3*	*2.7*	*3.4*
1986 Q1	*-*	*3.6*	*4*	*3*	*3*	*2*	*2.5*	*2.5*
Q2	*2*	*0.4*	*2*	*3*	*4*	*3*	*3.2*	*2.0*
Q3	*2*	*1.8*	*3*	*5*	*5*	*4*	*4.0*	*3.3*
Q4	*1*	*3.7*	*3*	*5*	*7*	*4*	*4.5*	*4.1*
1987 Q1	*-1*	*2.6*	*11*	*5*	*3*	*4*	*4.3*	*3.9*
Q2	*-2*	*3.6*	*5*	*6*	*7*	*5*	*5.1*	*4.3*
Q3	*-2*	*4.3*	*7*	*6*	*8*	*5*	*5.7*	*5.3*
Q4	*-1*	*4.7*	*9*	*6*	*5*	*5*	*5.1*	*5.1*
1988 Q1	*-*	*4.0*	*10*	*7*	*10*	*5*	*6.3*	*5.7*
Q2	*-*	*4.4*	*10*	*6*	*5*	*5*	*5.1*	*5.0*
Q3	*-*	*3.6*	*6*	*6*	*3*	*4*	*4.7*	*4.3*

1 The latest data for the index of production are presented in Table 16. The figures given in this table are consistent with the figures for the output measure of gross domestic product.


Index numbers of output of constant factor cost
1985=100
seasonally adjusted
Share of output
1985
Production
34·4%
Construction 5·9%
Agriculture, forestry
and fishing 1·9%
Transport and
communication
7·0%
Distribution, hotels and
catering; repairs
13·4%
Other
services
37·4%
Gross domestic production
(output based)
Total production
118
116
114
112
110
108
106
104
102
100
98
96
94
92
1983
1984
1985
1986
1987
1988

18 Engineering and construction: output and orders

Volume index numbers

	Engineering industries[1]							Construction (GB)	
	Home market		Export		Total				
	Orders on hand end of period (average 1985 = 100)	New orders[2] (1985 average monthly sales = 100)	Orders on hand end of period (average 1985 = 100)	New orders[2] (1985 average monthly sales = 100)	Sales[2] (1985 average monthly sales = 100)	Orders on hand end of period (average 1985 =100)	New orders[2] (1985 average monthly sales = 100)	Gross output[3] (1985 = 100)	Orders received (1985 = 100)
	FEAV	FEAN	FEAX	FEAP	FEAJ	DKCJ	FEAL	FEAQ	FEAZ
1983	93	88	81	82	87	88	86	95.7	98.6
1984	103	100	96	99	93	100	100	98.9	102.9
1985	95	96	98	101	100	96	98	100.0	100.0
1986	95	100	96	97	100	95	99	103.3	108.2
1987	101	106	95	105	104	99	106	111.4	128.8[4]
1984 Q3	101	102	94	106	95	98	103	99.6	102.7
Q4	103	99	96	98	95	100	99	98.6	104.6
1985 Q1	103	99	98	105	99	101	101	100.6	98.5
Q2	99	91	100	110	101	99	97	99.9	100.7
Q3	100†	102	102	102	98	101	102	98.8	96.8
Q4	95	91	98	88	101	96	90	100.8	104.0
1986 Q1	93	98	95	91	100	94	96	98.7	104.1
Q2	96	103	92	89	97	94	98	103.3	106.8
Q3	95	98	90	91	98	93	95	104.4	114.2
Q4	95	102	96	118	103	95	107	106.6	107.6
1987 Q1	96	99	95	100	98	96	99	110.0	115.9
Q2	97	103	95†	101	102	96	102	108.4	117.5
Q3	98	108	96	106	105	97	107	111.7	165.8[4]
Q4	101	114†	95	111	109	99†	113	115.5	116.0
1988 Q1	106	114	104	130†	106	105	119	121.3†	143.1
Q2	110	116	102	111	111†	107	115	118.9	128.6
Q3	110	113	101	128	118	107	118	118.3	131.0†
1986 May	96	108	94	93	99	95	103	..	98.2
Jun	96	102	92	84	101	94	96	..	108.8
Jul	94	88	91	81	97	92	86	..	130.0
Aug	94	101	90	88	94	93	96	..	104.4
Sep	95	104	90	103	103	93	104	..	108.2
Oct	98	115	92	111	100	95	114	..	108.3
Nov	95	89	92	108	104	94	96	..	109.2
Dec	95	101	96	135	104	95	112†	..	104.7
1987 Jan	95	92	96	98	93	95	94	..	123.9
Feb	96	107†	95	96	100	96	103	..	110.0
Mar	96	99	95	105	101	96	101	..	113.9
Apr	96	99	95	98	102	95	99	..	112.5
May	96	102	95	103	102	95	102	..	129.8
Jun	97	107	95	103	102	96†	106	..	110.1
Jul	98	107	96	105†	101	97	106	..	230.9[4]
Aug	98	112	96	110	106	98	111	..	143.9
Sep	98	105	96	103	107	97	104	..	122.6
Oct	99	110	96†	114	108	98	111	..	116.3
Nov	101	117	96	113	109	99	116	..	113.1
Dec	101	116	95	107	112	99	113	..	118.4
1988 Jan	106	131	102	159	102	105	141	..	141.4
Feb	106	99	103	112	104	105	103	..	149.7
Mar	106	113	104	119	112	105	115	..	138.2
Apr	106	106	104	118	108†	105	110	..	131.6
May	109	125	104	109	109	107	119	..	127.4
Jun	110	118	102	107	116	107	114	..	126.7
Jul	110†	111	101	121	114	107	115	..	130.4
Aug	112	124	102	129	118	108	126	..	129.6†
Sep	110	104	101	134	123	107	114	..	132.9
Oct	110	122	101	125	122	107	123	..	139.4

1 Mechanical, instrument and electrical engineering (SIC classes 32, 33, 34 and 37).

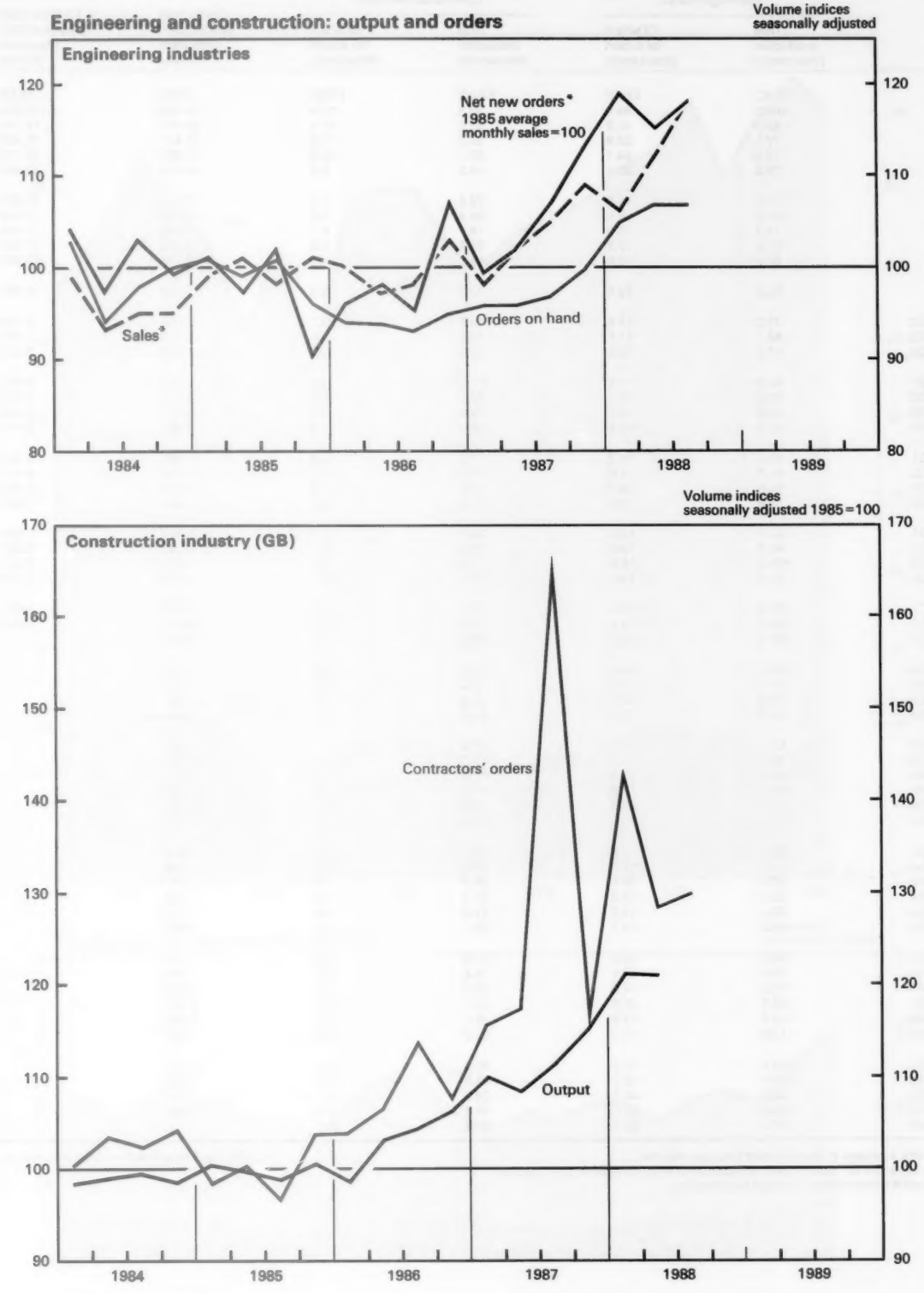
2 Net of cancellations.

3 This index is based on a gross output series which includes repair and maintenance estimates, unrecorded output by self-employed workers and small firms and output by the direct labour departments of the public sector.

4 Includes the Channel Tunnel project. Excluding the project, the level of orders would have been 137.4 in July 1987, 134.6 in third quarter 1987 and 121.0 in 1987 as a whole.

Sources: Department of Trade and Industry; Department of the Environment

Engineering and construction: output and orders



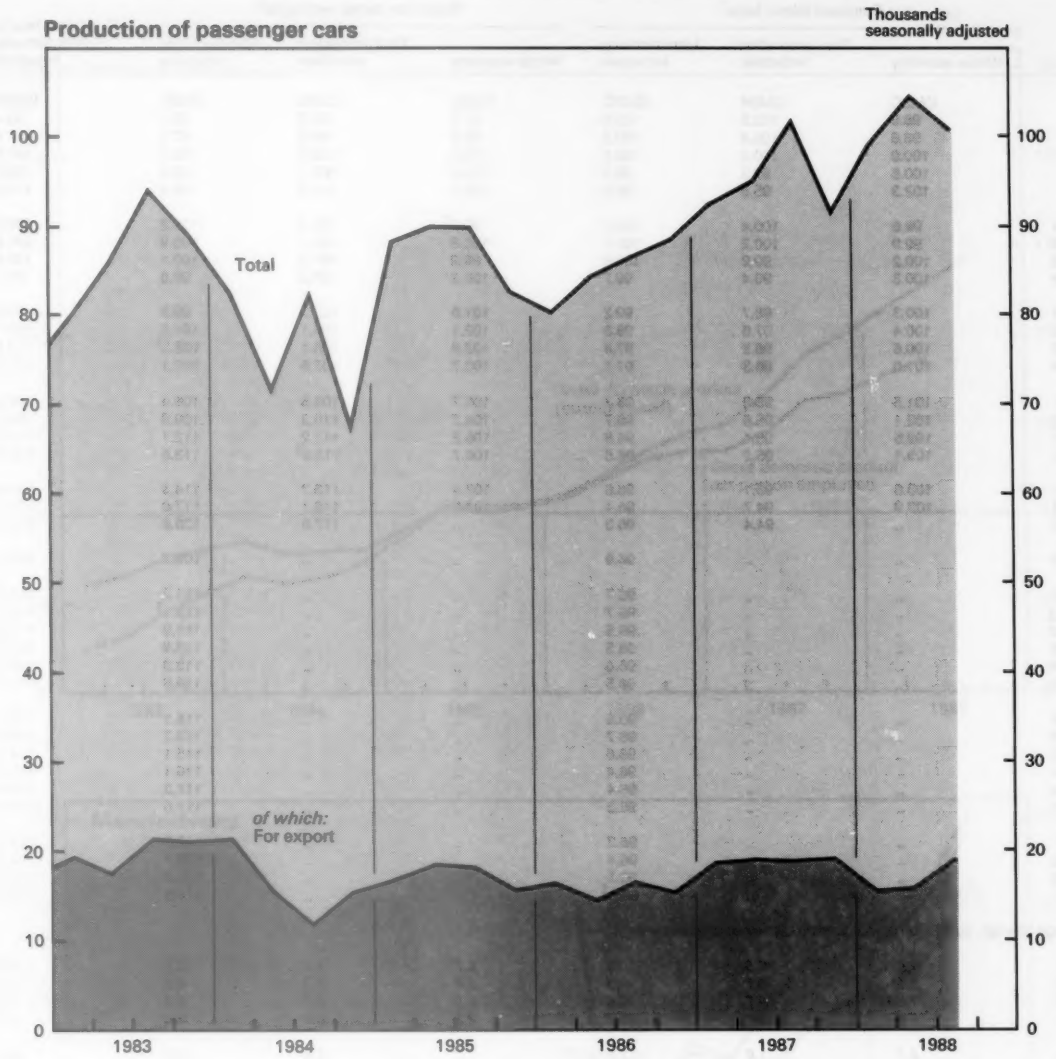
*See footnote [2] on page 30

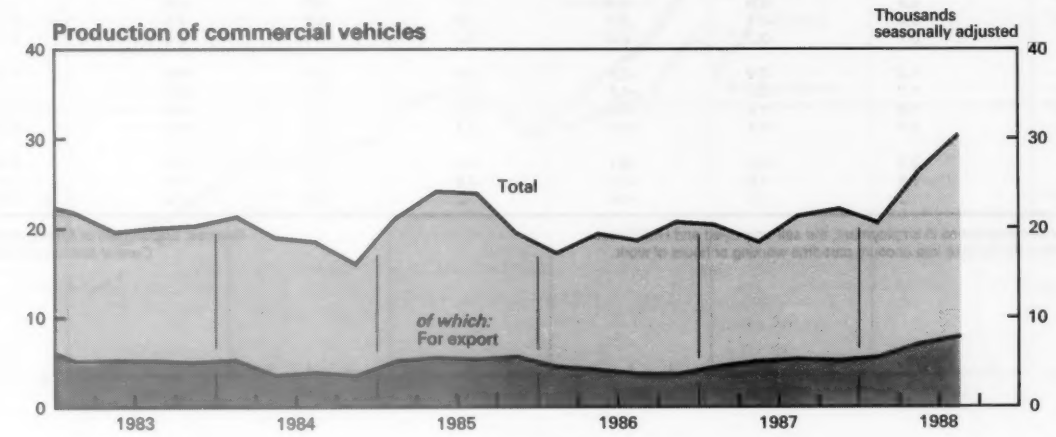
19 Motor vehicle production[1] and steel production and consumption

	Passenger cars+		Commercial vehicles+		Crude steel production[2] (thousand tonnes)	Finished steel consumption (thousand tonnes)
	Total production (thousands)	Of which for export (thousands)	Total production (thousands)	Of which for export (thousands)		
	FFAO	FFAP	FFAQ	FFAR	FFAM	FFAN
1977	104.3	46.9	33.3	16.4	20 385	15 300
1978	89.3	41.2	32.0	14.1	20 237	15 710
1979	77.0	32.8	34.0	13.5	21 411	15 480
1980	77.0	29.1	32.4	13.0	11 387	12 770
1981	79.5	25.4	19.2	9.5	15 308	12 440
1982	74.0	18.8	22.4	7.7	13 644	12 240
1983	87.0	19.8	20.4	5.2	14 933	11 510
1984	75.7	16.0	18.7	4.1	15 076	11 340
1985	87.6	17.3	22.2	5.5	15 716	11 560
1986	84.9	15.6	19.1†	4.1	14 723	11 800
1987	95.2	18.9	20.6	5.1	17 726	12 330
1984 Q2	71.3	15.5	19.0	3.7	3 604	2 720
Q3	82.1	11.8	18.6	3.9	3 743	2 910
Q4	67.2	15.4	16.1	3.7	3 766	2 860
1985 Q1	88.2	16.8†	21.2†	5.1	3 714	2 820
Q2	90.0	18.4	24.1	5.6	4 117	2 820
Q3	89.9	18.2	23.9	5.4	3 920	2 910
Q4	82.5	15.8	19.4	5.8	3 965	3 010
1986 Q1	80.2	16.2	17.2	4.8	3 787	2 950
Q2	84.3	14.6	19.4	4.2	3 256	3 010
Q3	86.6	16.3	18.8	3.8	3 436	2 960
Q4	88.6	15.4	20.8	3.8	4 244	2 890
1987 Q1	92.7	18.5	20.3	4.6	3 989	2 870
Q2	95.0	19.0	18.5	5.1	4 392	3 030
Q3	101.6	18.9	21.4	5.4	4 673	3 260
Q4	91.6	19.1	22.1	5.1	4 672	3 170
1988 Q1	99.3	15.4	20.7	5.6	4 751	3 550
Q2	104.7	15.8	26.4	7.0	4 694	3 660
Q3	101.3	18.8	30.6	7.9	4 675	..
1986 Sep	94.1	16.8	18.6	3.9	1 261	..
Oct	81.1	12.0	19.4	3.7	1 593*	..
Nov	87.5	16.3	18.4	3.7	1 265	..
Dec	97.3	17.8	24.6	4.0	1 387	..
1987 Jan	85.7	16.4	19.8	4.1	1 493*	..
Feb	90.1	19.0	19.7	4.1	1 270	..
Mar	102.3	20.2	21.3	5.7	1 226	..
Apr	87.8	17.9	17.0	4.8	1 724*	..
May	95.8	19.0	18.9	5.4	1 281	..
Jun	101.5	20.0	19.6	5.0	1 388	..
Jul	101.2	19.4	19.1	5.0	1 674*	..
Aug	101.3	17.6	21.8	5.2	1 318	..
Sep	102.2	19.6	23.3	6.0	1 681*	..
Oct	95.0	20.0	21.5	4.8	1 390	..
Nov	86.4	18.2	21.8	5.0	1 425	..
Dec	93.3	19.1	23.1	5.6	1 856*	..
1988 Jan	106.6	15.9	22.6	6.0	1 622	..
Feb	85.0	15.7	16.2	3.7	1 446	..
Mar	106.3	14.6	23.3	7.2	1 682*	..
Apr	98.3	15.9	23.1	6.0	1 432	..
May	102.8	13.8	26.1	6.7	1 513	..
Jun	112.9	17.7	29.9	8.3	1 749*	..
Jul	104.0	17.3	29.0	8.7	1 514	..
Aug	100.0	19.2	33.8	6.9	1 420	..
Sep	99.8	20.0	29.0	8.1	1 742*	..
Oct	106.0†	24.0†	28.8†	7.6	1 466	..
Nov	118.7	23.3	31.8	8.3†	..	..

1 Monthly averages or standardised calendar months.
2 The totals are for 'usable steel' in accordance with the system used by the EC and the International Iron and Steel Institute.

Source: Department of Trade and Industry


Production of passenger cars
Thousands
seasonally adjusted
Total
of which:
For export
100
90
80
70
60
50
40
30
20
10
0
1983
1984
1985
1986
1987
1988


Production of commercial vehicles
Thousands
seasonally adjusted
Total
of which:
For export
40
30
20
10
0
1983
1984
1985
1986
1987
1988

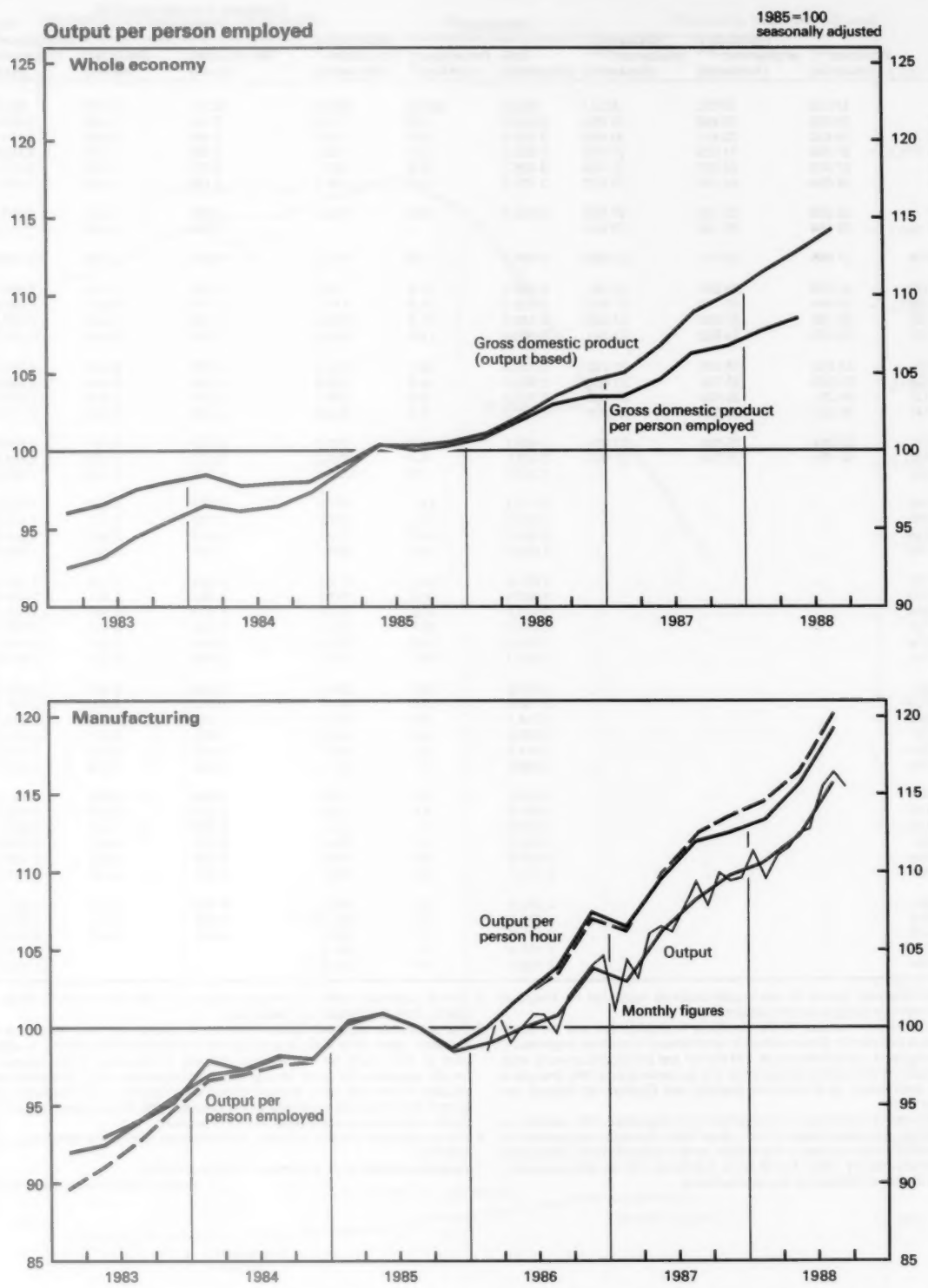
20 Output per person employed

1985 = 100

	Employed labour force[1]			Output per person employed[2]			Output per hour in manufacturing industries
	Whole economy	Total production industries	Manufacturing industries	Whole economy	Total production industries	Manufacturing industries	
	DMBC	DMBK	DMBD	DMBE	CAIW	DMBF	DMBH
1983	96.9	102.8	102.0	97.0	92.2	92.0	93.4
1984	98.6	100.8	100.5	98.0	94.2	97.3	97.8
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	100.6	97.3	98.0	102.4†	105.1	103.0	103.3
1987	102.3	95.5	96.6	105.3	111.2	110.5	110.2
1985 Q1	99.6	100.4	100.2	99.3†	97.4	100.2	100.3
Q2	99.9	100.2	100.1	100.6	101.1	100.9	101.0
Q3	100.2	99.9	100.0	99.9	101.0	100.1	100.0
Q4	100.3	99.4	99.7	100.2	100.5	98.8	98.7
1986 Q1	100.3	98.7	99.2	101.0	102.7	99.9	99.9
Q2	100.4	97.6	98.3	102.1	104.1	101.8	102.1
Q3	100.6	96.8	97.4	102.8	106.1	103.5†	103.8
Q4	101.0	96.3	97.1	103.7	107.6	107.1	107.5
1987 Q1	101.5	95.8	96.7	103.7	108.5	106.4	106.6
Q2	102.1	95.6	96.7	104.7	110.3	109.9	109.7
Q3	102.5	95.4	96.6	106.2	112.2	112.1	111.7†
Q4	103.1	95.2	96.5	106.7	113.9†	113.6	112.7
1988 Q1	103.6	95.1	96.6	107.4	113.7	114.5	113.4
Q2	103.9	94.7	96.4	108.0	116.1	117.0	116.1
Q3	..	94.4	96.3	..	117.6	120.6	119.5
1987 Jun	..	..	96.9	..	..	109.7	109.3
Jul	..	..	96.7	..	..	111.2	111.0†
Aug	..	..	96.7	..	..	113.1†	112.7
Sep	..	..	96.5	..	..	111.9	111.3
Oct	..	..	96.5	..	..	113.9	113.0
Nov	..	..	96.6	..	..	113.3	112.5
Dec	..	..	96.5	..	..	113.6	112.7
1988 Jan	..	..	96.6	..	..	115.1	113.8
Feb	..	..	96.7	..	..	113.2	112.3
Mar	..	..	96.6	..	..	115.1	114.1
Apr	..	..	96.4	..	..	116.1	115.3
May	..	..	96.4	..	..	117.3	116.3
Jun	..	..	96.3	..	..	117.5	116.8
Jul	..	..	96.3	..	..	119.8	118.7
Aug	..	..	96.4	..	..	120.7	119.6
Sep	..	..	96.1	..	..	121.2	120.3
Oct	..	..	96.0†	..	..	121.6	119.9
Percentage change, quarter on corresponding quarter of previous year							
1985 Q1	*1.6*	*-0.6*	*-0.3*	*0.7*	*1.3*	*3.7*	*2.5*
Q2	*1.6*	*-0.7*	*-0.3*	*2.6*	*8.2*	*4.0*	*3.7*
Q3	*1.5*	*-0.7*	*-0.6*	*2.5*	*8.7*	*2.5*	*1.9*
Q4	*1.1*	*-1.1*	*-0.7*	*2.3*	*6.6*	*1.0*	*0.7*
1986 Q1	*0.7*	*-1.8*	*-1.1*	*1.7*	*5.4*	*-0.3*	*-0.4*
Q2	*0.5*	*-2.6*	*-1.8*	*1.4*	*3.0*	*0.9*	*1.1*
Q3	*0.4*	*-3.1*	*-2.5*	*2.8*	*5.1*	*3.3*	*3.7*
Q4	*0.7*	*-3.2*	*-2.6*	*3.2*	*7.1*	*8.4*	*8.9*
1987 Q1	*1.2*	*-2.9*	*-2.5*	*2.6*	*5.7*	*6.6*	*6.7*
Q2	*1.7*	*-2.0*	*-1.6*	*2.7*	*5.9*	*8.0*	*7.4*
Q3	*1.9*	*-1.4*	*-0.8*	*3.3*	*5.7*	*8.3*	*7.6*
Q4	*2.1*	*-1.1*	*-0.6*	*3.1*	*6.0*	*6.2*	*5.0*
1988 Q1	*2.1*	*-0.7*	*-0.1*	*4.1*	*4.8*	*7.6*	*6.4*
Q2	*1.8*	*-1.0*	*-0.4*	*3.8*	*5.0*	*6.0*	*5.5*
Q3	..	*-1.1*	*-0.4*	..	*4.6*	*7.4*	*6.9*

1 Comprises employees in employment, the self-employed and HM Forces.
2 The ratios do not take into account part-time working or hours of work.

Sources: Department of Employment;


Output per person employed
1985=100
seasonally adjusted
Whole economy
125
120
115
110
105
100
95
90
Gross domestic product
(output based)
Gross domestic product
per person employed
1983
1984
1985
1986
1987
1988
Manufacturing
120
115
110
105
100
95
90
85
Output per
person hour
Output
Monthly figures
Output per
person employed
1983
1984
1985
1986
1987
1988

21 National employment and unemployment [1]

	Workforce[2,3] (thousands)	Workforce in employment[2,3,4] (thousands)	Employees in employment[2,3,4] (thousands)	Unemployed[5] Total (thousands)	Unemployed[5] Percentage of workforce[6]	Vacancies at job centres[7] (thousands)	Employees in employment (GB) (thousands) Manufacturing industry	Employees in employment (GB) (thousands) Production industry	Total unemployed[5] (thousands) (NSA)
	DYDD	DYDC	BCAJ	BCJD	BCJE	DPCB	BCHK	DYCP	BCJA
1982	26 609	23 888	21 394	2 546.7	*9.6*†	113.9	5 761	6 432	2 916.9
1983	26 632	23 611	21 052	2 790.5	*10.5*	137.3	5 430	6 069	3 104.7
1984	27 306	24 223	21 225	2 920.6	*10.7*	150.2	5 308	5 916	3 159.8
1985	27 820	24 607	21 495	3 035.7	*10.9*	162.1	5 272	5 852	3 271.2
1986	28 064	24 746	21 572	3 107.2	*11.1*	188.3	5 146	5 676	3 289.1
1987	28 288	25 296	21 806	2 822.3	*10.0*	235.0	5 056	5 544	2 953.4
1988	28 164	25 739	22 093	..	..	..	5 007	5 458	..
1985 Q4	27 966	24 717	21 558	3 057.9	*11.0*†	164.3	5 240	5 798	3 269.6
1986 Q1	28 009	24 697	21 561	3 099.4	*11.1*	170.3	5 204	5 745	3 356.1
Q2	28 064	24 746	21 572	3 122.7	*11.2*	177.7	5 146	5 676	3 275.1
Q3	28 165	24 883	21 590	3 126.0	*11.2*	196.6	5 107	5 626	3 297.5
Q4	28 196	24 982	21 641	3 080.6	*11.0*	208.6	5 084	5 593	3 227.7
1987 Q1	28 206	25 079	21 702	3 010.5	*10.7*	214.1	5 053	5 548	3 222.1
Q2	28 288	25 296	21 806	2 900.5	*10.3*	228.3	5 056	5 544	2 999.6
Q3	28 291	25 456	21 862	2 765.8	*9.8*	239.1	5 034	5 518	2 880.8
Q4	28 265	25 586	21 979	2 612.3	*9.3*	260.0	5 028	5 505	2 710.9
1988 Q1	28 264	25 698	22 084	2 486.1	*8.8*	249.9	5 029	5 491	2 659.9
Q2	28 164	25 739	22 093	2 363.6	*8.4*	255.2	5 007	5 458	2 434.6
Q3	..	..	..	2 228.2	*7.9*	230.3†	4 989	5 436	2 309.6
1986 Sep	..	..	..	3 114.3	*11.1*	201.2	5 107	5 626	3 332.9
Oct	..	..	..	3 096.3	*11.1*	207.0	5 098	5 614	3 237.2
Nov	..	..	..	3 086.6	*11.0*	209.9	5 092	5 602	3 216.8
Dec	..	..	..	3 059.0	*10.9*	209.0	5 084	5 593	3 229.2
1987 Jan	..	..	..	3 051.3	*10.8*	212.9	5 065	5 566	3 297.2
Feb	..	..	..	3 007.0	*10.7*	212.3	5 062	5 561	3 225.8
Mar	..	..	..	2 973.1	*10.5*	217.0	5 053	5 548	3 143.4
Apr	..	..	..	2 953.9	*10.5*	219.6	5 048	5 533	3 107.1
May	..	..	..	2 890.5	*10.2*	231.6	5 052	5 538	2 986.5
Jun	..	..	..	2 857.2	*10.1*	233.7	5 056	5 544	2 905.3
Jul	..	..	..	2 812.6	*10.0*	235.3	5 048	5 532	2 906.5
Aug	..	..	..	2 766.6	*9.8*	237.7	5 043	5 526	2 865.8
Sep	..	..	..	2 718.1	*9.6*	244.4	5 034	5 518	2 870.2
Oct	..	..	..	2 663.9	*9.4*	259.9	5 032	5 511	2 751.4
Nov	..	..	..	2 604.4	*9.2*	265.1	5 033	5 510	2 685.6
Dec	..	..	..	2 568.6	*9.1*	254.9	5 028	5 505	2 695.8
1988 Jan	..	..	..	2 519.4	*8.9*	250.8	5 034	5 506	2 722.2
Feb	..	..	..	2 485.0	*8.8*	249.6	5 035	5 502	2 665.5
Mar	..	..	..	2 453.9	*8.7*	249.4	5 029	5 491	2 592.1
Apr	..	..	..	2 402.9	*8.5*	255.9	5 018	5 467	2 536.0
May	..	..	..	2 363.8	*8.4*	254.5	5 015	5 465	2 426.9
Jun	..	..	..	2 324.1	*8.2*	255.1	5 007	5 458	2 340.8
Jul	..	..	..	2 267.3	*8.0*	249.7	5 008†	5 455†	2 326.7
Aug	..	..	..	2 225.6	*7.9*	221.0†	5 008	5 454	2 291.2
Sep	..	..	..	2 191.7	*7.8*	220.1	4 989	5 436	2 311.0
Oct	..	..	..	2 157.9†	*7.7*	251.2	..	..	2 118.9
Nov	..	..	..	2 108.6	*7.5*†	244.9	..	..	2 066.9†

1 Unemployment figures do not include students registered for temporary employment during a current vacation.

2 The workforce consists of the workforce in employment and the unemployed (claimants); the workforce in employment comprises employees in employment, the self-employed, HM Forces and participants in work- related government training programmes. For an explanation of the changes to the presentation of employment statistics see *Employment Gazette*, August 1988.

3 Estimates of employees in employment from December 1984 onwards include an allowance based on the Labour Force Survey to compensate for persistent undercounting in the regular sample enquiries (see *Employment Gazette*, January 1987). For all dates, individuals with two jobs as employees of different employers are counted twice.

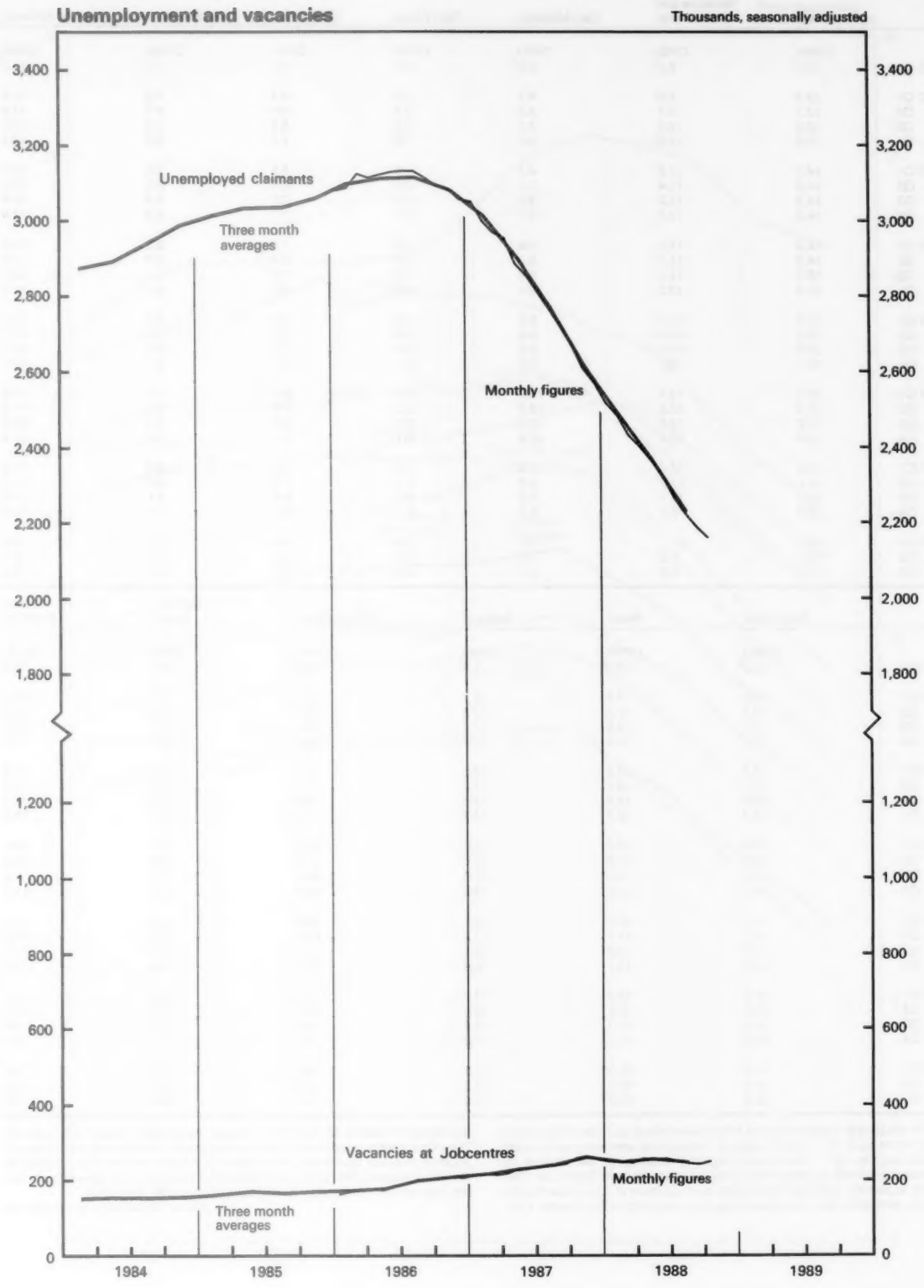
4 Annual estimates relate to mid-year. Figures for the four quarters relate to March, June, September and December.

5 The seasonally adjusted figures have been revised and now relate only to claimants aged 18 or over, in order to maintain the consistent series, available back to 1971 (1974 for the regions), allowing for the effect of the change in benefit regulations for under 18 year olds from September 1988. The seasonally adjusted series also takes account of past discontinuities to be consistent with current coverage (see page 422 of the October 1986 *Employment Gazette* for the list of previous discontinuities taken into account).

6 The denominator used to calculate unemployment rates is the workforce - see footnote 2.

7 Vacancies notified to job centres and remaining unfilled.

Source: Department of Employment


Unemployment and vacancies
Thousands, seasonally adjusted
3,400
3,200
3,000
2,800
2,600
2,400
2,200
2,000
1,800
1,200
1,000
800
600
400
200
0
Unemployed claimants
Three month averages
Monthly figures
Vacancies at Jobcentres
Monthly figures
Three month averages
1984
1985
1986
1987
1988
1989

22 Regional unemployment rates [1]

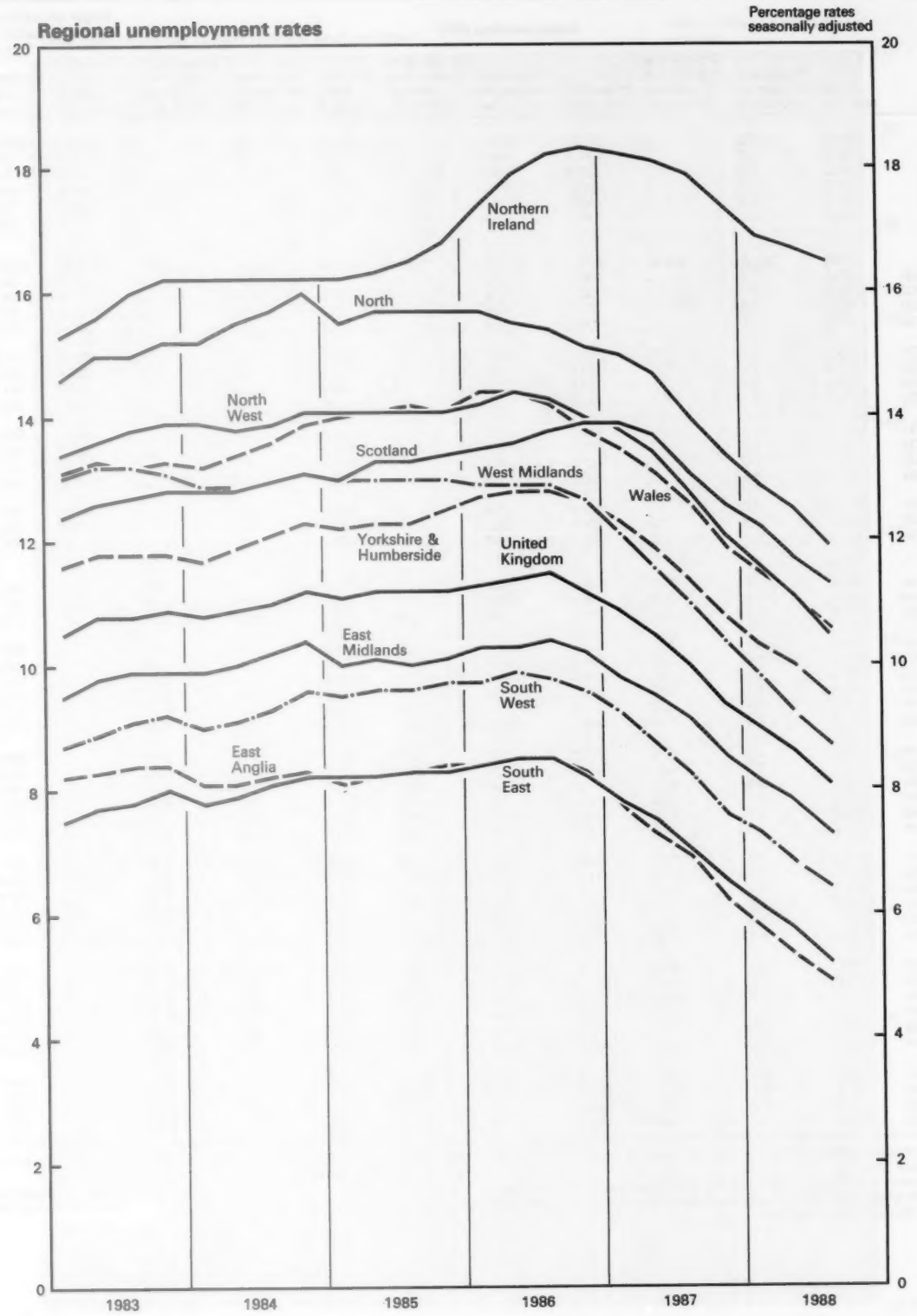
Percentages

	North	Yorkshire and Humberside	East Midlands	East Anglia	South East	South West	West Midlands
	DPBH	DPBI	DPBJ	DPBK	DPBL	DPBM	DPBN
1981 Q4	12.2†	9.6†	8.0†	6.8	6.1	7.3†	11.0†
1982 Q1	12.4	9.9	8.1	7.0	6.4	7.5	11.5
Q2	12.7	10.1	8.2	7.2	6.6	7.7	11.6
Q3	13.3	10.5	8.5	7.5	6.8	7.9	12.0
Q4	13.5	10.9	8.9	7.9	7.1	8.2	12.4
1983 Q1	14.0	11.2	9.2	7.9	7.3	8.5	12.7
Q2	14.3	11.4	9.5	8.0	7.5	8.6	13.0
Q3	14.3	11.5	9.6	8.0	7.6	8.8	12.9
Q4	14.5	11.5	9.7	8.1	7.7	8.9	12.8
1984 Q1	14.5	11.4	9.6	7.8†	7.6	8.8	12.6
Q2	14.8	11.5	9.7	7.8	7.7	8.9	12.6
Q3	15.0	11.8	9.9	7.9	7.9†	9.1	12.7
Q4	15.3	12.0	10.1	8.0	8.0	9.3	12.8
1985 Q1	14.8	11.8	9.8	7.8	8.0	9.2	12.7
Q2	15.0	12.0	9.8	7.9	8.0	9.3	12.7
Q3	15.0	12.0	9.8	8.0	8.1	9.3	12.7
Q4	15.1	12.2	9.8	8.1	8.1	9.4	12.7
1986 Q1	15.0	12.4	10.0	8.1	8.2	9.5	12.6
Q2	14.9	12.5	10.0	8.2	8.3	9.6	12.6
Q3	14.8	12.5	10.1	8.2	8.3	9.6	12.6
Q4	14.6	12.4	10.0	8.1	8.1	9.4	12.4
1987 Q1	14.4	12.0	9.6	7.5	7.7	8.9	11.9
Q2	14.1	11.7	9.3	7.1	7.3	8.5	11.4
Q3	13.5	11.2	8.9	6.7	6.9	8.1	10.8
Q4	12.9	10.6	8.3	6.1	6.4	7.5	10.2
1988 Q1	12.5	10.1	7.9	5.6	6.0	7.1	9.6
Q2	12.0	9.8	7.6	5.2	5.6	6.7	9.1
Q3	11.5	9.3	7.2	4.8	5.1	6.2	8.5

	North West	Wales	Scotland	Great Britain	Northern Ireland	United Kingdom
	DPBO	DPBP	DPBQ	DPAJ	DPBR	BCJE
1982 Q4	12.8†	12.6†	11.8†	9.9†	15.1†	10.0†
1983 Q1	13.2	12.8	12.1	10.1	15.1	10.3
Q2	13.5	13.0	12.3	10.3	15.4	10.5
Q3	13.6	12.9	12.4	10.4	15.7	10.6
Q4	13.8	13.0	12.4	10.5	15.8	10.6
1984 Q1	13.7	12.9	12.5	10.4	15.9	10.5
Q2	13.7	13.1	12.5	10.5	15.9	10.6
Q3	13.8	13.3	12.6	10.6	15.9	10.8
Q4	13.9	13.6	12.7	10.8	15.9	10.9
1985 Q1	13.9	13.7	12.6	10.7	15.8	10.8
Q2	14.0	13.8	12.9	10.8	16.0	10.9
Q3	14.0	13.9	12.9	10.8	16.1	10.9
Q4	14.0	13.9	13.0	10.9	16.5	11.0
1986 Q1	14.1	14.1	13.1	10.9	17.0	11.1
Q2	14.2	14.1	13.2	11.0	17.5	11.2
Q3	14.2	13.9	13.4	11.0	17.8	11.2
Q4	13.9	13.5	13.6	10.8	17.9	11.0
1987 Q1	13.7	13.3	13.6	10.5	17.9	10.7
Q2	13.2	12.8	13.3	10.1	17.7	10.3
Q3	12.7	12.3	12.8	9.6	17.5	9.8
Q4	12.0	11.7	12.3	9.1	17.1	9.3
1988 Q1	11.6	11.3	11.9	8.6	16.6	8.8
Q2	11.0	10.8	11.5	8.2	16.4	8.4
Q3	10.5	10.3	11.0	7.7	16.2	7.9

1 The seasonally adjusted figures have been revised and now relate only to claimants aged 18 or over, in order to maintain the consistent series, available back to 1971 (1974 for the regions), allowing for the effect of the change in benefit regulations for under 18 year olds from September 1988. The seasonally adjusted series also takes account of past discontinuities to be consistent with current coverage (see page 422 of the October 1986 *Employment Gazette* for the list of previous discontinuities taken into account). The denominators used to calculate unemployment rates are the sum of the appropriate mid-year estimates of employees in employment and the unemployed, the self-employed, HM Forces and participants in work-related government training programmes. Recent figures are based on mid-1987 estimates.

Source: Department of Employment


Regional unemployment rates
Percentage rates seasonally adjusted
20
18
16
14
12
10
8
6
4
2
0
Northern Ireland
North
North West
Scotland
West Midlands
Wales
Yorkshire & Humberside
United Kingdom
East Midlands
South West
East Anglia
South East
1983
1984
1985
1986
1987
1988

23 Average earnings

1985 = 100

	Average earnings (GB)[1]									Wages and salaries per unit of output	
	Whole economy	Percentage increase on year earlier	Underlying % change over previous 12 months[2]	Production industries	Percentage increase on year earlier	Underlying % change over previous 12 months[2]	Manufacturing industry	Percentage increase on year earlier	Underlying % change over previous 12 months[2]	Whole economy[3]	Manufacturing industry
	DNAA	DNDZ		DNAE	DNED		DNAC	DNEH		DJDO	DMBG
1983	87.0†	2.2†		84.9	8.6†		84.4	9.0†		90.7	91.6
1984	92.2	6.0		89.8	5.8		91.7	8.6		94.9	94.2
1985	100.0	8.5		100.0†	11.4		100.0	9.1		100.0	100.0
1986	107.9	7.9		108.0	8.0		107.7	7.7		105.4†	104.5
1987	116.3	7.8		116.7	8.1		116.3†	8.0		110.0	105.3
	DNAB	DNEA	DNEM	DNAF	DNEE	DNEN	DNAD	DNEI	DNEO	DJDO	DMBG
1985 Q1	97.0	7.5	..	95.5	8.2	..	97.1	9.0	..	98.0†	96.8
Q2	99.0	8.9	..	99.0	12.6	..	99.3	10.0	..	98.4	98.4
Q3	101.1	9.2	..	101.3	12.4	..	100.9	9.1	..	101.2	100.8
Q4	102.5	7.8	..	103.1	11.2	..	102.8	8.4	..	102.4	104.0
1986 Q1	105.1	8.7	..	105.2	10.2	..	104.7	7.8	..	103.9	104.8
Q2	107.0	8.1	..	106.8	7.9	..	106.7	7.5	..	104.9	104.9
Q3	108.6	7.4	..	108.6	7.2	..	108.2	7.2	..	105.8	104.6
Q4	110.7	8.0	..	111.3	8.0	..	111.0	8.0	..	106.9	103.6†
1987 Q1	112.7	6.9	..	113.2	7.6	..	112.8	7.7	..	108.1	106.1
Q2	115.1	7.6	..	115.2	7.9	..	114.9	7.7	..	109.5	104.6
Q3	117.2	7.9	..	117.7	8.4	..	117.4	8.5	..	110.1	104.7
Q4	120.0	8.4	..	120.5	8.3	..	120.2	8.3	..	112.4	105.8
1988 Q1	122.6	8.8	..	121.8	7.6	..	122.0	8.2	..	113.8	106.6
Q2	124.6	8.3	..	125.6	9.0	..	125.0	8.8	..	115.0	106.9
Q3	127.0	8.4	..	127.5	8.3	..	127.0	8.2	..	..	105.3
1986 Apr	107.4	8.5	7.50	106.9	8.1	8.25	107.0	7.5	7.75	..	106.7
May	106.2	7.6	7.50	106.4	7.9	8.25	106.0	7.2	7.75	..	104.1
Jun	107.4	8.0	7.50	107.1	7.5	8.00	107.2	7.7	7.75	..	103.8
Jul	108.3	8.1	7.50	107.5	6.8	8.00	107.3	6.9	7.75	..	103.8
Aug	108.8	8.0	7.50	108.8	8.0	7.75	108.3	7.8	7.75	..	106.0
Sep	108.8	6.3	7.50	109.5	6.7	7.75	109.0	7.0	7.75	..	103.9†
Oct	109.9	8.4	7.50	110.3	8.0	7.75	110.0	7.8	7.75	..	103.6
Nov	110.9	8.2	7.75	111.3	7.7	8.00	110.9	8.0	7.75	..	103.5
Dec	111.2	7.4	7.75	112.4	8.2	8.00	112.1	8.2	8.00	..	103.8
1987 Jan	112.1	7.6	7.50	112.7	7.6	7.75	112.2	7.7	7.75	..	107.5
Feb	112.8	7.5	7.50	113.5	7.9	8.00	113.1	8.1	8.00	..	104.8
Mar	113.2	6.6	7.50	113.4	7.4	8.00	113.2	7.6	8.00	..	105.9
Apr	114.2	6.3	7.75	114.6	7.2	8.00	114.4	6.9	8.00	..	104.2
May	115.4	8.7	7.75	115.2	8.3	8.00	114.7	8.2	8.00	..	104.1
Jun	115.7	7.7	7.75	115.7	8.0	8.25	115.7	7.9	8.25	..	105.5
Jul	117.0	8.0	7.75	116.9	8.7	8.25	116.9	8.9	8.25	..	105.1
Aug	117.1	7.6	7.75	117.7	8.2	8.25	117.0	8.0	8.50	..	103.4
Sep	117.4	7.9	7.75	118.6	8.3	8.25	118.2	8.4	8.50	..	105.6
Oct	118.8	8.1	8.00	119.9	8.7	8.25	119.4	8.5	8.25	..	104.8
Nov	120.2	8.4	8.25	120.1	7.9	8.25	119.8	8.0	8.25	..	105.7
Dec	121.0	8.8	8.50	121.5	8.1	8.25	121.4	8.3	8.25	..	106.8
1988 Jan	121.8	8.7	8.50	121.7	8.0	8.50	121.7	8.5	8.50	..	105.7
Feb	122.0	8.2	8.50	120.7	6.3	8.50	121.1	7.1	8.50	..	106.9
Mar	124.0	9.5	8.50	123.1	8.6	8.25	123.2	8.8	8.50	..	107.1
Apr	124.4	8.9	8.50	125.6	9.6	8.50	125.2	9.4	8.75	..	107.8
May	124.2	7.6	8.50	126.0	9.4	8.50	124.9	8.9	8.75	..	106.4
Jun	125.1	8.1	8.75	125.3	8.3	9.00	125.0	8.0	9.00	..	106.4
Jul	126.9	8.5	9.00	127.0	8.6	9.00†	126.6	8.3	9.00	..	105.7
Aug	126.6	8.1	9.25	127.2	8.1	9.00	126.7	8.3	8.75†	..	104.9
Sep	127.6†	8.7†	9.25	128.3†	8.2†	8.75	127.6†	8.0†	8.75	..	105.3
Oct	129.3	8.8	9.00†	130.1	8.5	8.75	129.2	8.2	8.75	..	106.3

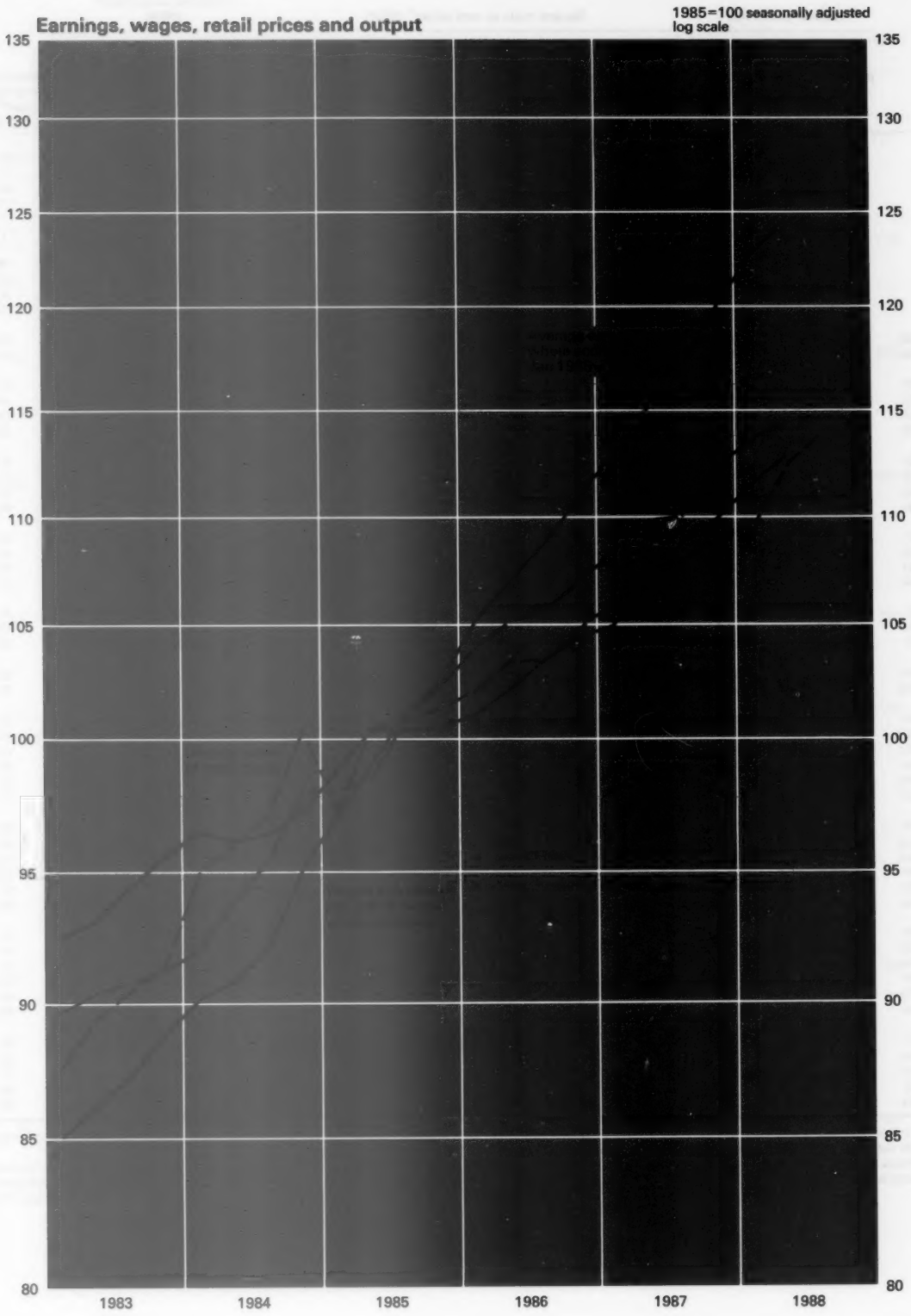
1 The seasonal adjustment factors currently used are based on data up to January 1988.

2 Estimated to the nearest quarter of one percentage point. For the derivation of recent underlying changes see 'Employment Topics' item in *Employment Gazette*, December 1988.

3 The method for calculating whole economy unit wage costs is described in *Employment Gazette*, May 1986.

Sources: Department of Employment;

Earnings, wages, retail prices and output



24 Prices

1985 = 100

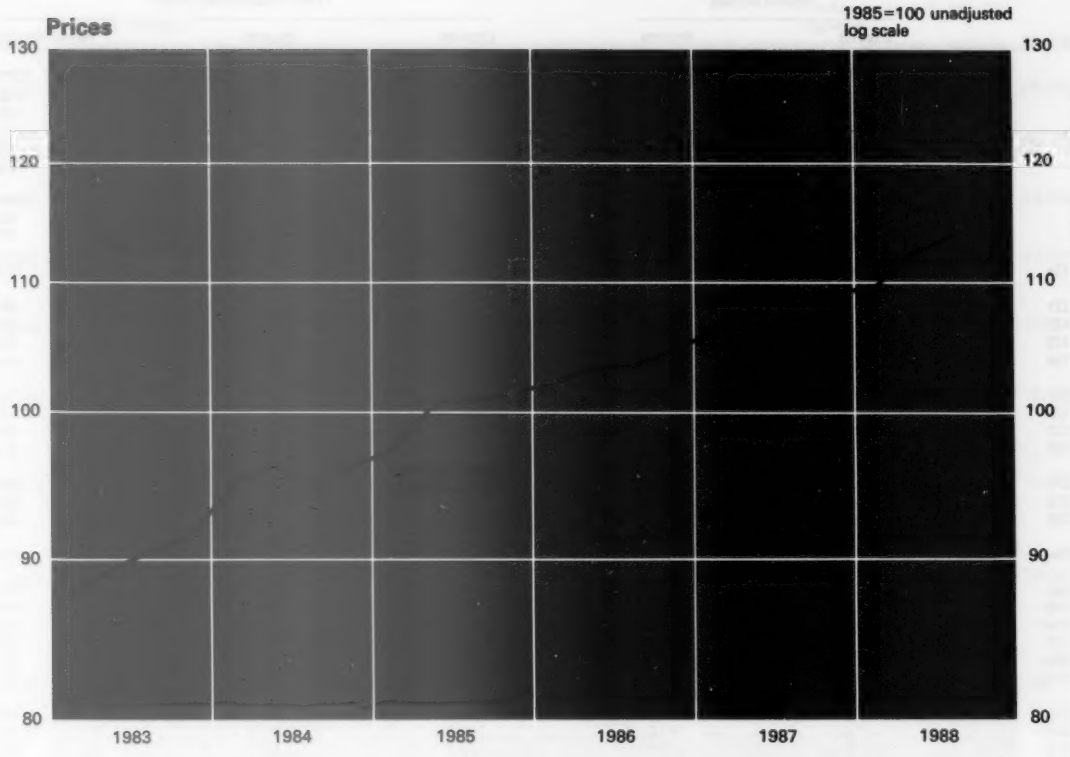
	Producer price index		General index of retail prices[1] (NSA)						Pensioner price index[2] (NSA)		
			All items				All items other than seasonal food				
	Materials and fuel purchased by manufacturing industry	Output: all manufactured products: home sales (NSA)	Index	Percentage increase on year earlier	Total food	Total non-food	Index	Percentage increase on year earlier	One-person household	Two-person household	Purchasing power of the pound[3] (NSA)
	DZDQ	DZCV	FRAG	FRAN	FRAH	FRAI	FRAK	FRAO	FRAL	FRAM	FJAK
1979	67.6	63.3	59.9	*13.4*	67.9	58.0	59.7	*13.3*	61.3	61.4	167
1980	73.3	72.2	70.7	*18.0*	76.1	69.4	70.7	*18.4*	71.4	71.3	142
1981	80.1†	79.1	79.1	*11.9*	82.5	78.2	79.1	*11.9*	79.5	79.5	127
1982	86.0	85.2	85.9	*8.6*	89.0	85.1	85.8	*8.5*	86.9	86.7	117
1983	91.9	89.8	89.8	*4.6*	91.8	89.4	89.8	*4.7*	90.8	90.7	111
1984	99.0	95.0	94.3	*5.0*	97.0	93.6	94.1	*4.7*	95.4	95.3	106
1985	100.0	100.0	100.0	*6.1*	100.0	100.0	100.0	*6.3*	100.0	100.0	100
1986	92.5	104.3	103.4	*3.4*	103.3	103.5	103.3	*3.3*	103.2	103.2	97
1987	95.4	108.3	107.7	*4.2*	106.4	108.0	107.6	*4.1*	105.6	105.8	93
1984 Q3	100.0	95.5	94.9	*4.7*	97.2	94.3	94.7	*4.6*	95.6	95.6	105
Q4	101.7	96.5	96.0	*4.8*	97.2	95.8	96.1	*5.2*	96.6	96.6	104
1985 Q1	103.4	98.2	97.2	*5.5*	99.0	96.8	97.2	*5.8*	98.1	98.1	103
Q2	101.8	99.9	100.6	*7.0*	100.9	100.5	100.4	*7.3*	100.4	100.4	99
Q3	98.6	100.5	100.8	*6.3*	99.8	101.1	101.0	*6.6*	100.3	100.3	99
Q4	96.5	101.4	101.3	*5.5*	100.4	101.6	101.4	*5.6*	101.2	101.2	99
1986 Q1	94.6	102.8	102.1	*4.9*	102.1	102.0	102.0	*5.0*	102.2	102.1	98
Q2	91.9	104.2	103.4	*2.8*	103.9	103.2	103.1	*2.7*	103.4	103.3	97
Q3	90.6	104.6	103.5	*2.6*	103.5	103.5	103.4	*2.4*	103.4	103.4	97
Q4	92.8	105.5	104.8	*3.4*	103.6	105.1	104.8	*3.3*	103.8	103.9	95
1987 Q1	93.9	106.9	106.1	*3.9*	105.8	106.2	105.9	*3.8*	104.7	104.8	94
Q2	95.0	108.0	107.7	*4.2*	107.2	107.8	107.4	*4.1*	105.7	105.9	93
Q3	96.8	108.6	107.9	*4.3*	105.8	108.4	107.9	*4.4*	105.4	105.7	93
Q4	95.9	109.8	109.1	*4.1*	107.1	109.6	109.1	*4.1*	106.5	106.9	92
1988 Q1	95.5	111.0	109.6	*3.5*	108.9	109.9	109.4	*3.3*	107.4	107.8	91
Q2	98.6	112.6	112.3	*4.3*	110.1	112.7	112.1	*4.4*	109.2	109.5	89
Q3	100.2	113.9	113.8	*5.5*	109.9	114.6	113.9	*5.5*	110.0	110.3	88
1986 Nov	92.9	105.5	105.0	*3.5*	103.3	105.3	105.0	*3.5*	..	..	95
Dec	93.1	105.8	105.3	*3.7*	104.0	105.6	105.3	*3.7*	..	..	95
1987 Jan	93.8	106.6	105.7	*3.9*	105.3	105.8	105.6	*3.8*	..	..	95
Feb	93.9	106.9	106.1	*3.9*	106.0	106.3	105.9	*3.7*	..	..	94
Mar	94.0	107.2	106.4	*4.0*	106.0	106.5	106.2	*4.0*	..	..	94
Apr	94.5	107.7	107.6	*4.2*	106.9	107.7	107.3	*4.1*	..	..	93
May	94.4	108.1	107.7	*4.1*	107.6	107.7	107.4	*4.1*	..	..	93
Jun	96.0	108.2	107.7	*4.2*	106.9	107.9	107.5	*4.3*	..	..	93
Jul	96.9	108.4	107.6	*4.4*	105.7	108.1	107.6	*4.4*	..	..	93
Aug	97.1	108.6	107.9	*4.4*	106.0	108.4	107.9	*4.4*	..	..	93
Sep	96.5	108.9	108.3	*4.2*	105.7	108.8	108.3	*4.3*	..	..	92
Oct	96.5	109.6	108.8	*4.5*	106.4	109.3	108.9	*4.6*	..	..	92
Nov	95.6	109.8	109.3	*4.1*	106.9	109.9	109.4	*4.2*	..	..	91
Dec	95.6	110.0	109.2	*3.7*	107.8	109.5	109.1	*3.6*	..	..	92
1988 Jan	95.2	110.6	109.2	*3.3*	108.3	109.4	109.1	*3.3*	..	..	92
Feb	95.6	111.0	109.6	*3.3*	109.1	109.9	109.4	*3.3*	..	..	91
Mar	95.7	111.4	110.1	*3.5*	109.4	110.3	109.8	*3.4*	..	..	91
Apr	96.8	112.2	111.9	*3.9*	109.9	112.2	111.6	*4.0*	..	..	89
May	98.2	112.6	112.3	*4.2*	110.2	112.6	112.0	*4.3*	..	..	89
Jun	100.8	113.0	112.7	*4.6*	110.3	113.1	112.6	*4.7*	..	..	89
Jul	100.9	113.5	112.8	*4.8*	109.5	113.5	112.9	*4.9*	..	..	89
Aug	100.4	113.9	114.1	*5.7*	109.9	114.8	114.1	*5.8*	..	..	88
Sep	99.4	114.3†	114.6	*5.9*	110.3	115.5	114.8	*5.9*	..	..	87
Oct	98.8†	114.8	115.8	*6.4*	110.4	116.9	115.9	*6.5*	..	..	86
Nov	99.3	115.1	116.3†	*6.4*†	111.3†	117.4†	116.5	*6.5*†	..	..	86†

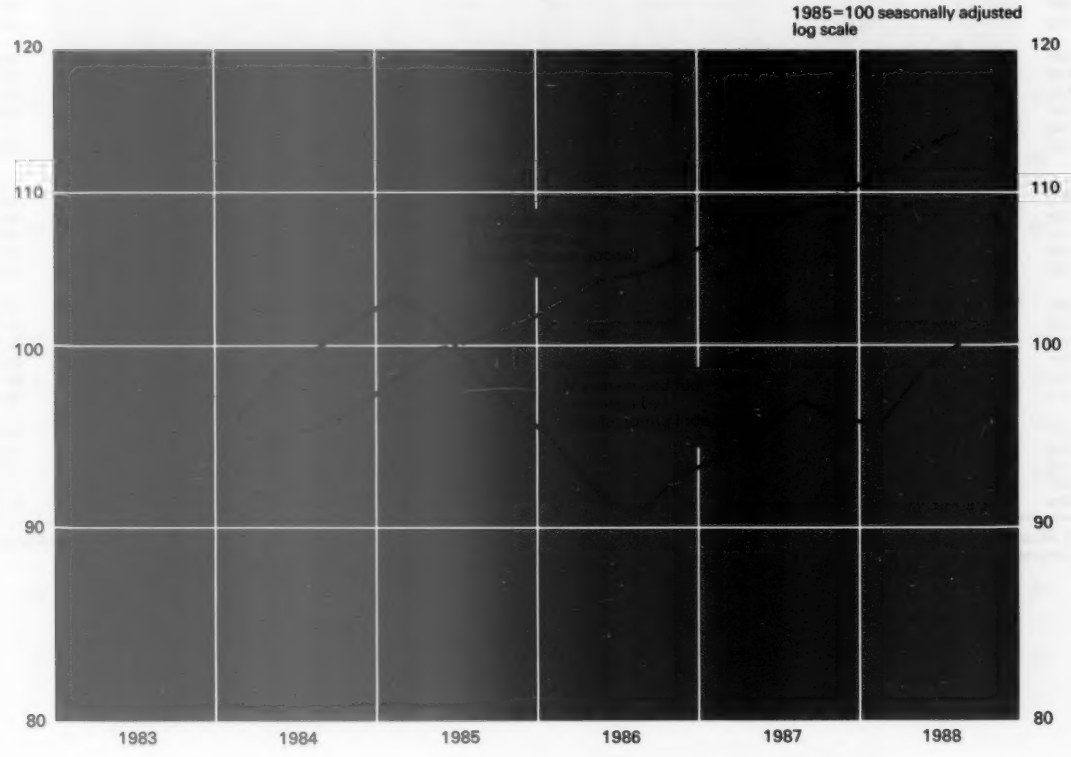
1 The index numbers given here are for comparative purposes only and should not be regarded as accurate to the last digit shown. The official Retail Prices index series is shown in Table 1.

2 All items except housing.

3 Movements in the purchasing power of the pound are based on movements in the General index of retail prices.

Sources: Department of Trade and Industry; Department of Employment;


Prices
1985=100 unadjusted
log scale
130
120
110
100
90
80
1983
1984
1985
1986
1987
1988


1985=100 seasonally adjusted
log scale
120
110
100
90
80
1983
1984
1985
1986
1987
1988

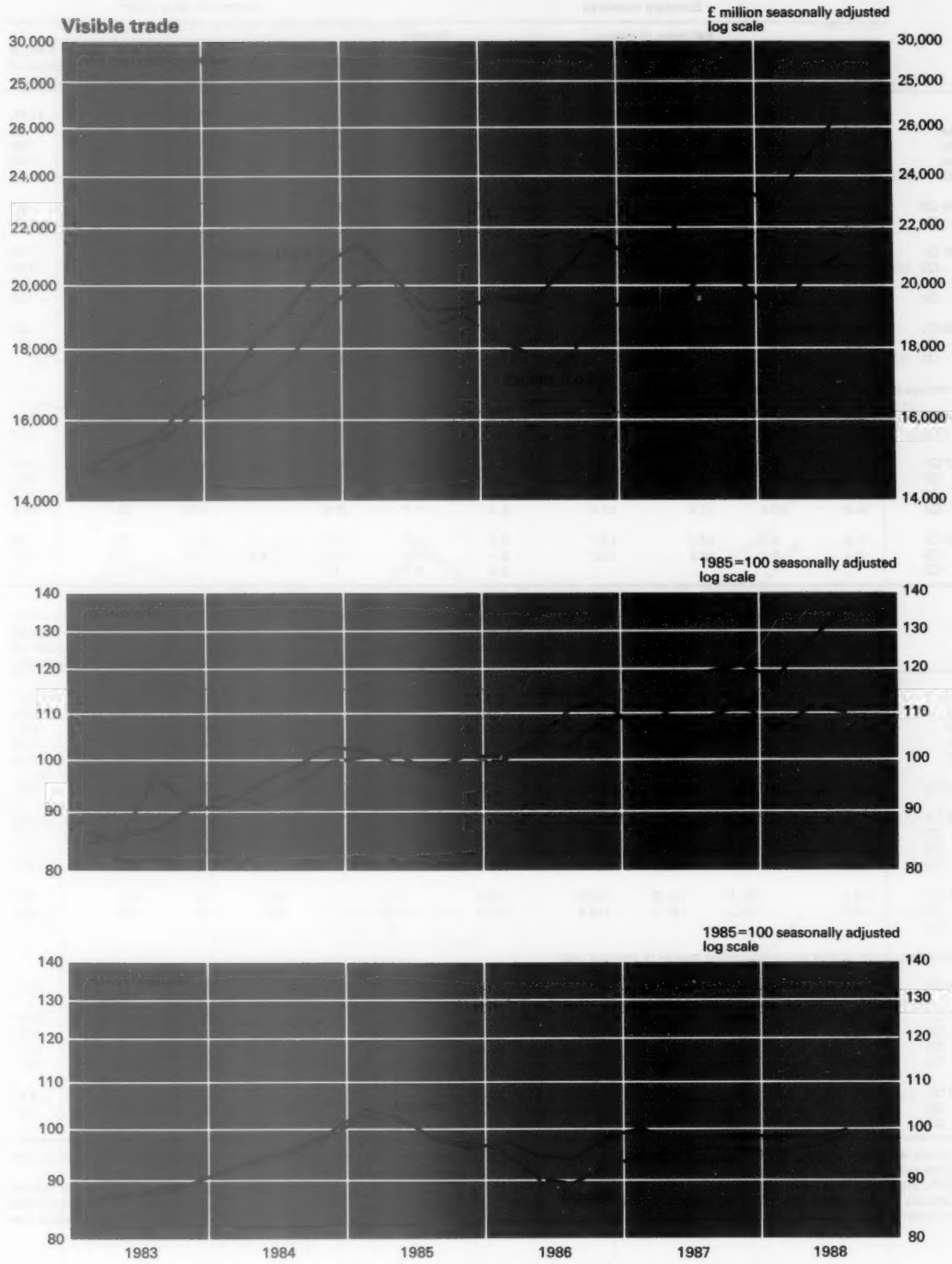
25 Visible trade (on a balance of payments basis)

1985 = 100

	Volume indices		Unit value indices (NSA)		
	Exports	Imports	Exports	Imports	Terms of trade[1]
	CGTR	CGTS	CGTO	CGTP	CGTQ
1980	84.1	79.0	70.0	68.5	102.2
1981	83.3	75.9	76.2	74.2	102.7
1982	85.6	80.1	81.4	80.2†	101.4
1983	87.6	87.0	88.0	87.8	100.2
1984	94.7	96.9†	95.0	95.5	99.5
1985	100.0	100.0	100.0	100.0	100.0
1986	103.6	107.0	91.8	96.0	95.6
1987	109.0	114.4	95.5	98.5	97.0
1985 Q4	100.7	100.7	97.6	96.0	101.7
1986 Q1	99.7	100.7	95.3	97.2	98.0
Q2	103.1	103.5	90.2	94.5	95.4
Q3	103.0	110.8	89.4	94.0	95.1
Q4	108.7	112.8	92.3	98.1	94.1
1987 Q1	108.8	105.9	94.7	100.0	94.7
Q2	106.2†	111.3	95.2	97.5	97.6
Q3	109.2	119.5	96.2	98.2	98.0
Q4	111.9	120.8	95.8	98.2	97.6
1988 Q1	106.5	117.8	95.4	98.4	97.0
Q2	111.1	127.4	96.5	98.0	98.5†
Q3	110.5	135.6	98.6	99.5	99.1
1985 Dec	100.8	100.6	97.7	96.1	101.7
1986 Jan	100.6	97.3	97.4	96.1	101.3
Feb	101.7	100.1	95.1	97.5	97.6
Mar	96.9	104.6	93.4	97.9	95.4
Apr	104.5	99.7	90.7	95.6	94.9
May	102.5	104.0	89.7	94.1	95.3
Jun	102.2	106.7	90.3	93.8	96.2
Jul	105.5	110.7	88.8	93.3	95.2
Aug	97.5	111.9	89.2	93.6	95.3
Sep	105.9	110.0	90.2	95.2	94.7
Oct	107.0	112.9	92.1	97.2	94.8
Nov	110.6	114.6	92.2	98.0	94.1
Dec	108.6	111.0	92.6	99.1	93.5
1987 Jan	105.6	105.4	94.2	99.8	94.4
Feb	113.4	108.3	94.9	100.2	94.7
Mar	107.4	104.1	95.0	100.1	95.0
Apr	110.8	108.7	95.1	98.3	96.8
May	104.2	113.3	94.9	97.1	97.7
Jun	103.7	111.8	95.4	97.1	98.3
Jul	108.8	117.8	95.3	97.8	97.4
Aug	106.4	122.7	96.7	98.5	98.2
Sep	112.2	118.0	96.5	98.4	98.1
Oct	110.6	118.1	96.5	98.2	98.3
Nov	113.4	122.1	95.9	98.5	97.3
Dec	111.7	122.2	95.0	97.8	97.2
1988 Jan	108.4	119.6	95.0	97.9	97.0
Feb	103.6	118.0	95.5	98.3	97.1
Mar	107.5	115.7	95.7	98.8	96.8
Apr	113.3	124.0	96.6	98.4	98.2
May	108.0	127.2	96.5	97.8	98.7
Jun	111.8	131.0	96.5	97.7	98.7
Jul	107.8	145.3	97.8	99.2	98.6
Aug	104.8	130.3	99.3	99.5	99.8
Sep	118.9	131.2	98.6	99.8	98.9
Oct	107.2	146.1	98.0	100.4	97.6
Nov	110.1†	136.4†	97.8†	100.2†	97.4†

1 Unit value index for exports expressed as a percentage of unit value index for imports.

Source: Department of Trade and Industry


Visible trade
£ million seasonally adjusted
log scale
30,000
25,000
26,000
24,000
22,000
20,000
18,000
16,000
14,000
1985=100 seasonally adjusted
log scale
140
130
120
110
100
90
80
1985=100 seasonally adjusted
log scale
140
130
120
110
100
90
80
1983
1984
1985
1986
1987
1988

26 Measures of UK competitiveness in trade in manufactures

1985 = 100

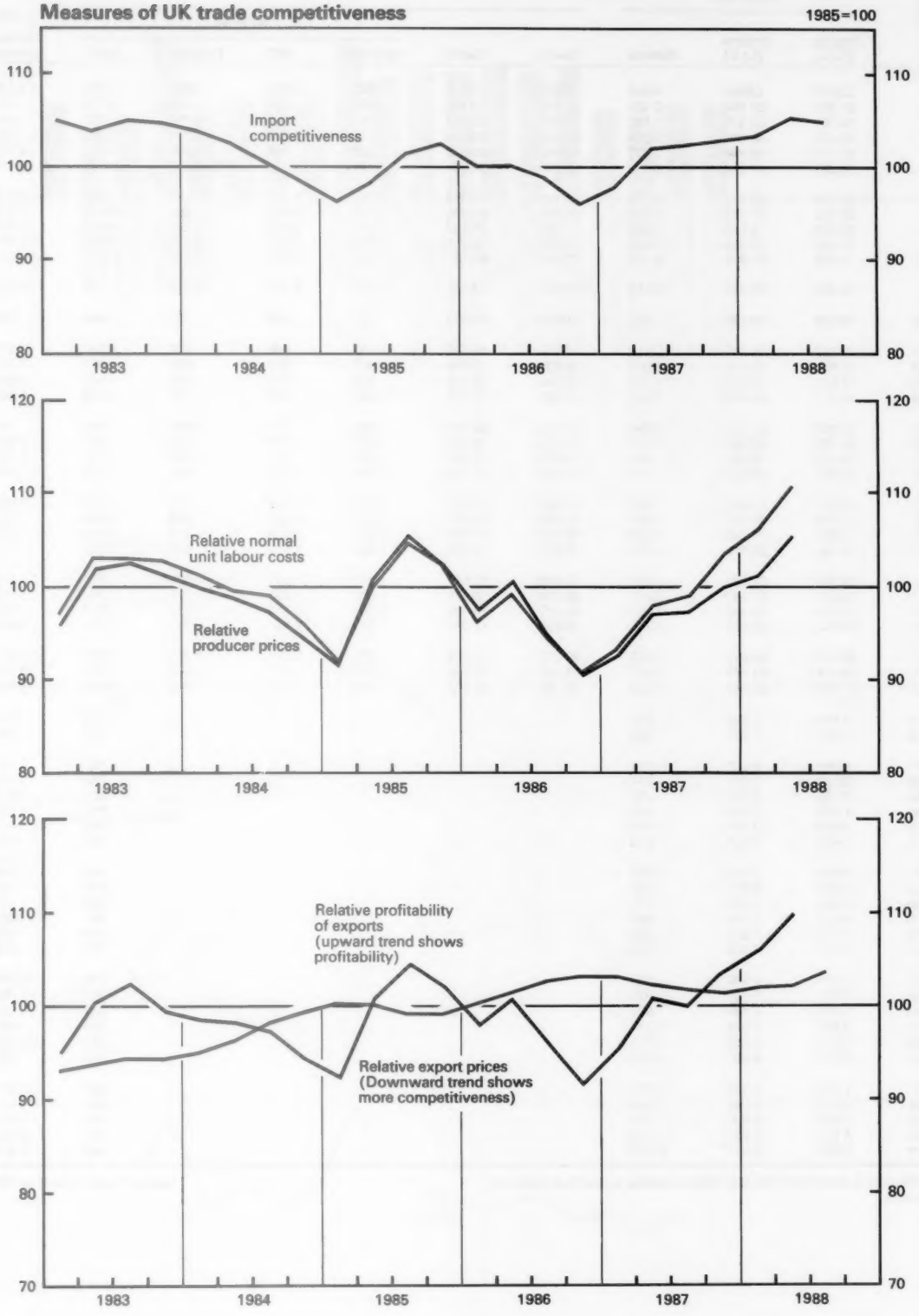
	Summary measures						Export unit value index[2]				
	Relative export prices[1]	Relative producer prices[1]	IMF index of relative unit labour costs[2] Actual	IMF index of relative unit labour costs[2] Normalised	Import price competitiveness[3]	Relative profitability of exports[3]	United Kingdom	United States	Japan	France	Federal Republic of Germany
	FLAA	FLAB	FLAC	FLAD	FLAE	FLAF	FLAG	FLAH	FLAI	FLAJ	FLAK
1984	97.2	97.5	100.5	99.3	101.6	97.5	96.5	98	102	97	98
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100	100	100	100
1986	96.5	95.8	93.8	95.4	99.2	102.2	117.2	103	121	125	133
1987	100.7†	96.6	93.1	98.5	101.5	102.3	136.8	105	131	136†	156
1986 Q3	96.0	94.7	92.4	94.8	99.3	102.8	119.4	104	124	129	137
Q4	91.6	90.4	86.3	91.0	96.5	103.4	116.5	105	124	131	142
1987 Q1	95.9†	92.5	89.1	93.4	98.3	103.3	127.4	104	126	133†	154
Q2	101.3	97.0	93.1	97.9	102.1	102.4	136.7	105	131	136	154
Q3	100.9	97.2	92.9	99.1	102.5	101.8	135.3	107	132	134	153
Q4	104.8	99.8	97.4	103.4	103.2	101.6	147.7	105	137	142	163
1988 Q1	106.9	101.1	100.1	106.2	103.7	102.1	153.7	106	144	147	162†
Q2	110.8	105.4	102.9	110.8	105.3	102.3	159.8	110	146	146	161
Q3	..	..	..	..	105.0	103.9	150.6	..	..	..	..
Percentage change, quarter on corresponding quarter of previous year											
1986 Q3	*-8.1*	*-10.1*	*-12.3*	*-9.7*	*-2.5*	*3.1*	*12.3*	*4.0*	*25.3*	*24.0*	*31.7*
Q4	*-10.2*	*-11.7*	*-16.4*	*-11.4*	*-6.1*	*4.1*	*5.4*	*5.0*	*14.8*	*18.0*	*25.7*
1987 Q1	*-2.1*	*-5.0*	*-8.5*	*-3.3*	*-2.2*	*2.7*	*12.3*	*3.0*	*10.5*	*10.8*	*24.2*
Q2	*0.6*	*-3.7*	*-5.8*	*-1.6*	*1.5*	*0.5*	*14.3*	*2.9*	*8.3*	*12.4*	*20.3*
Q3	*5.1*	*2.6*	*0.5*	*4.5*	*3.2*	*-1.0*	*13.3*	*2.9*	*6.5*	*3.9*	*11.7*
Q4	*14.4*	*10.4*	*12.9*	*13.6*	*6.9*	*-1.7*	*26.8*	*-*	*10.5*	*8.4*	*14.8*
1988 Q1	*11.5*	*9.3*	*12.3*	*13.7*	*5.5*	*-1.2*	*20.6*	*1.9*	*14.3*	*10.5*	*5.2*
Q2	*9.4*	*8.7*	*10.5*	*13.2*	*3.1*	*-0.1*	*16.9*	*4.8*	*11.5*	*7.4*	*4.5*
Q3	..	..	..	..	*2.4*	*2.1*	*11.3*	..	..	..	..

	Producer price index[2]					Unit labour costs index[2]				
	United Kingdom	United States	Japan	France	Federal Republic of Germany	United Kingdom[4]	United States	Japan	France	Federal Republic of Germany
	FLAL	FLAM	FLAN	FLAO	FLAP	FLAQ	FLAR	FLAS	FLAT	FLAU
1984	97.4	99.6	101.0	96.2	100.5	97	98	99	96†	103
1985	100.0	100.0	100.0	100.0	100.0	100	100	100	100	100
1986	118.1	97.8	131.1	129.9	131.6	118	100	147	131	140
1987	137.1†	100.4	147.4†	152.6†	154.7†	133	98	165†	152	174
1986 Q4	116.4	97.6	133.9	137.3	138.9	114	100	155	139†	154
1987 Q1	127.2	98.7	139.1	148.4	150.9	126	99	161	151	171
Q2	136.9	100.0	148.3	152.0	153.3	132	98	170†	152	171†
Q3	135.5†	101.0	145.3†	150.0†	151.1†	130	97	160	149	171
Q4	148.6	101.8	156.9	159.9	163.5	143	98	170	158	184
1988 Q1	154.0	102.4†	164.6	162.3	166.4	147	98	177	157	186
Q2	160.3	104.3	167.1	160.8	164.3	152†	99†	181	155	183
Q3	..	..	..	..	..	137	..	..	..	..
Percentage change, quarter on corresponding quarter of previous year										
1986 Q4	*3.7*	*-2.7*	*20.1*	*20.3*	*22.9*	*-0.9*	*-1.0*	*32.5*	*20.9*	*35.1*
1987 Q1	*11.5*	*-0.2*	*15.1*	*19.7*	*22.1*	*8.6*	*-1.0*	*23.8*	*18.9*	*34.6*
Q2	*12.7*	*2.6*	*13.7*	*20.9*	*20.2*	*8.2*	*-2.0*	*18.1*	*20.6*	*27.6*
Q3	*12.5*	*3.9*	*4.2*	*13.1*	*11.0*	*8.3*	*-3.0*	*1.3*	*11.2*	*17.1*
Q4	*27.7*	*4.3*	*17.2*	*16.5*	*17.7*	*25.4*	*-2.0*	*9.7*	*13.7*	*19.5*
1988 Q1	*21.1*	*3.7*	*18.3*	*9.4*	*10.3*	*16.7*	*-1.0*	*9.9*	*4.0*	*8.8*
Q2	*17.1*	*4.3*	*12.7*	*5.8*	*7.2*	*15.2*	*1.0*	*6.5*	*2.0*	*7.0*
Q3	..	..	..	..	..	*5.4*	..	..	..	..

1 Figures are base weighted using 1985 export data. Downwards movements indicate greater competitiveness.
2 All the indices are in terms of US dollars.
3 Excludes erratics (ships, North Sea installations, aircraft, precious stones and silver bullion).
4 The method for calculating whole economy unit wage costs is described in *Employment Gazette*, May 1986.

Sources: Department of Trade and Industry; Department of Employment; International Monetary Fund

Measures of UK trade competitiveness

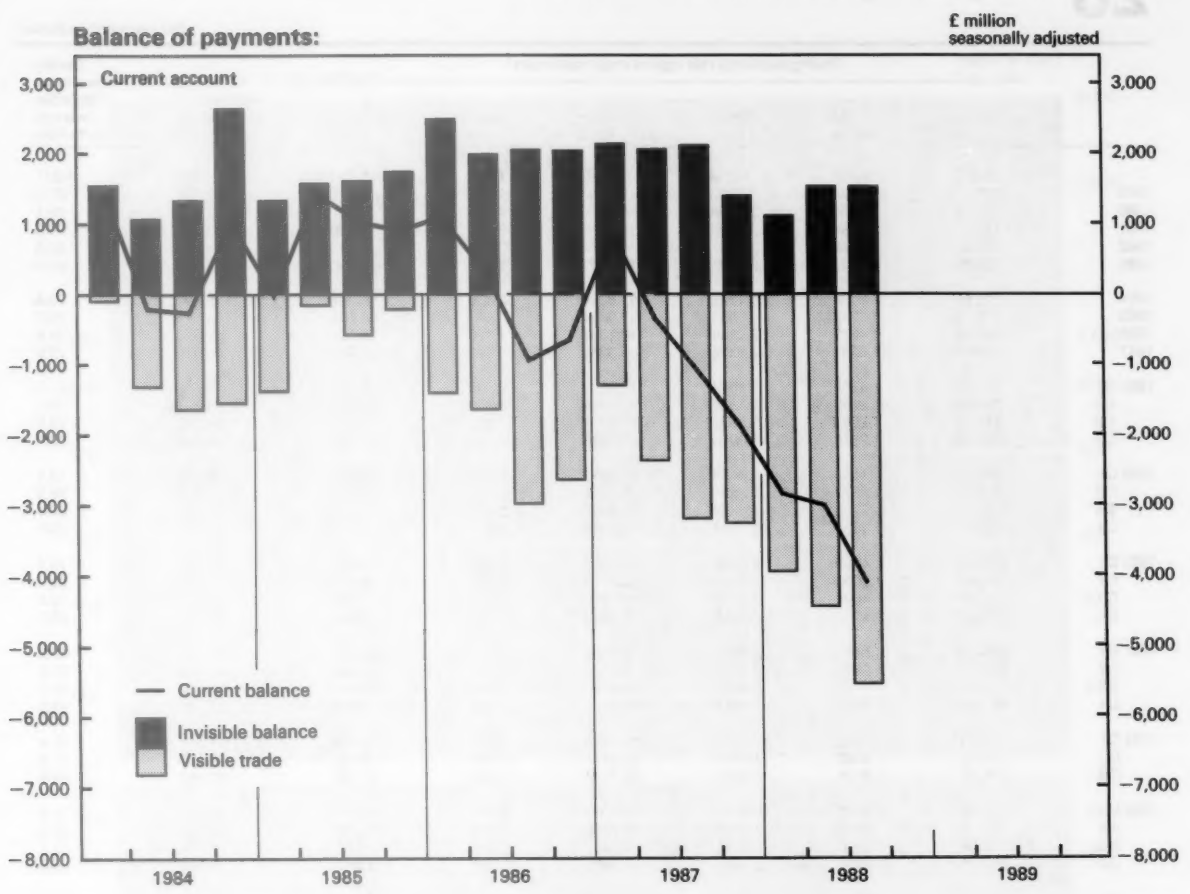


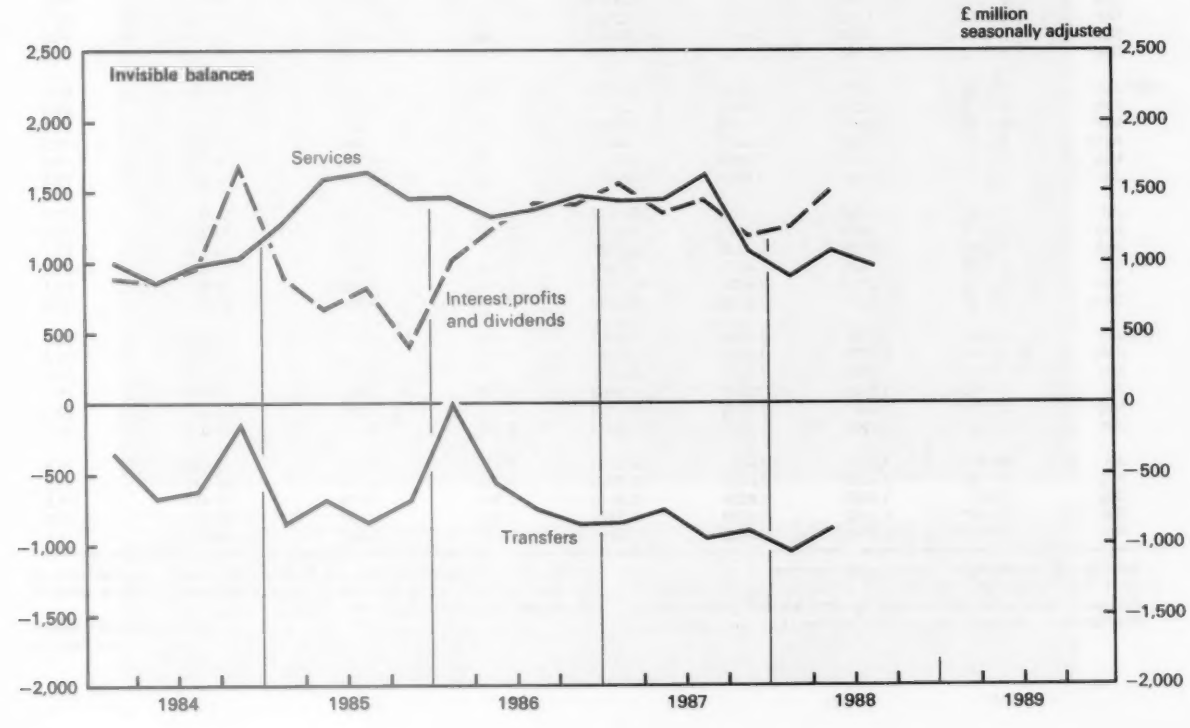
27 Balance of payments: current account

£ million

	Visible trade			Invisibles						
						Balances				
	Exports (f.o.b.)	Imports (f.o.b.)	Balance	Credits	Debits	Services	IPD	Transfers	Total[1]	Current balance
	CGKG	CGHK	AIMA	CGKR	CGHT	AIMC	AIMD	AIME	AIMB	AIMF
1977	31 682	34 006	-2 324	21 351	19 177	3 037	265	-1 128	2 174	-150
1978	34 981	36 574	-1 593	24 895	22 338	3 542	806	-1 791	2 557	964
1979	40 470	43 868	-3 398	33 339	30 437	3 907	1 205	-2 210	2 902	-496
1980	47 147	45 794	1 353	41 362	39 593	3 949	-196	-1 984	1 769	3 122
1981	50 668	47 318	3 350	57 347	53 761	3 923	1 210	-1 547	3 586	6 936
1982	55 330	53 112	2 218	65 483	63 016	2 762	1 446	-1 741	2 467	4 685
1983	60 698	61 773	-1 075	65 997	61 090	3 721	2 847	-1 661	4 907	3 832
1984	70 263	74 843	-4 580	77 765	71 163	3 941	4 433	-1 772	6 602	2 022
1985	77 988	80 334	-2 346	80 662	74 979	5 962	2 800	-3 079	5 683	3 337
1986	72 678	81 394	-8 716	77 262†	68 721†	5 631†	5 084†	-2 174†	8 541†	-175†
1987	79 422	89 584	-10 162	79 905	72 430	5 522	5 463	-3 510	7 475	-2 687
1983 Q4	16 036	16 398	-362	16 626	15 558	957	668	-557	1 068	706
1984 Q1	16 697	16 815	-118	17 714	16 157	1 017	896	-356	1 557	1 439
Q2	16 838	18 142	-1 304	18 097	17 024	877	872	-676	1 073	-231
Q3	17 611	19 224	-1 613	19 949	18 605	998	965	-619	1 344	-269
Q4	19 117	20 662	-1 545	22 005	19 377	1 049	1 700	-121	2 628	1 083
1985 Q1	20 089	21 483	-1 394	21 616	20 272	1 288	918	-862	1 344	-50
Q2	20 187	20 336	-149	20 516	18 922	1 590	678	-674	1 594	1 445
Q3	18 651	19 241	-590	19 616	18 009	1 639	814	-846	1 607	1 017
Q4	19 061	19 274	-213	18 914	17 776	1 445	390	-697	1 138	925
1986 Q1	18 200	19 603	-1 403	19 184†	16 681†	1 483†	1 015†	5†	2 503†	1 100†
Q2	17 810	19 477	-1 667	18 826	16 837	1 309	1 239	-559	1 989	322
Q3	17 506	20 502	-2 996	19 368	17 354	1 350	1 419	-755	2 014	-982
Q4	19 162	21 812	-2 650	19 884	17 849	1 489	1 411	-865	2 035	-615
1987 Q1	19 529	20 821	-1 292	19 816	17 652	1 452	1 561	-849	2 164	872
Q2	19 357	21 747	-2 390	20 078	18 076	1 421	1 353	-772	2 002	-388
Q3	20 234	23 436	-3 202	20 377	18 380	1 564	1 412	-979	1 997	-1 205
Q4	20 302	23 580	-3 278	19 634	18 322	1 085	1 137	-910	1 312	-1 966
1988 Q1	19 019	22 972	-3 953	20 277	19 238	887	1 217	-1 065	1 039	-2 914
Q2	20 238	24 759	-4 521†	21 123	19 356	1 075	1 605	-913	1 767	-2 754
Q3	21 035	26 664	-5 629	22 163	20 104	998	1 267	-206	2 059	-3 570
1986 Nov	6 496	7 493	-997	..	..	..	..	..	679†	-318†
Dec	6 397	7 221	-823	..	..	..	..	..	678	-145
1987 Jan	6 244	6 867	-624	..	..	..	..	..	721	97
Feb	6 827	7 091	-264	..	..	..	..	..	722	458
Mar	6 459	6 863	-403	..	..	..	..	..	721	318
Apr	6 589	7 076	-487	..	..	..	..	..	667	180
May	6 356	7 441	-1 085	..	..	..	..	..	668	-417
Jun	6 412	7 230	-818	..	..	..	..	..	667	-151
Jul	6 686	7 708	-1 022	..	..	..	..	..	666	-356
Aug	6 586	8 042	-1 456	..	..	..	..	..	665	-791
Sep	6 962	7 685	-723	..	..	..	..	..	666	-57
Oct	6 802	7 756	-954	..	..	..	..	..	437	-517
Nov	6 881	7 969	-1 088	..	..	..	..	..	438	-650
Dec	6 617	7 856	-1 239	..	..	..	..	..	437	-802
1988 Jan	6 405	7 797	-1 393	..	..	..	..	..	346	-1 047
Feb	6 171	7 707	-1 536	..	..	..	..	..	347	-1 189
Mar	6 443	7 467	-1 024	..	..	..	..	..	346	-678
Apr	6 857	8 094	-1 237	..	..	..	..	..	589	-648
May	6 543	8 256	-1 713	..	..	..	..	..	589	-1 124
Jun	6 837	8 409	-1 572	..	..	..	..	..	589	-983
Jul	6 760	9 447	-2 687	..	..	..	..	..	686	-2 001
Aug	6 732	8 580	-1 848	..	..	..	..	..	687	-1 161
Sep	7 543	8 637	-1 094	..	..	..	..	..	686	-408
Oct	6 761	9 691	-2 929	..	..	..	..	..	400	-2 529
Nov	6 924†	8 937†	-2 013†	..	..	..	..	..	400	-1 613

1 Monthly data is one third of the appropriate calendar quarter's estimate or projection.


Balance of payments:
£ million
seasonally adjusted
Current account
3,000
2,000
1,000
0
−1,000
−2,000
−3,000
−4,000
−5,000
−6,000
−7,000
−8,000
Current balance
Invisible balance
Visible trade
1984
1985
1986
1987
1988
1989


£ million
seasonally adjusted
Invisible balances
2,500
2,000
1,500
1,000
500
0
−500
−1,000
−1,500
−2,000
Services
Interest, profits
and dividends
Transfers
1984
1985
1986
1987
1988
1989

28 Sterling exchange rates and UK official reserves

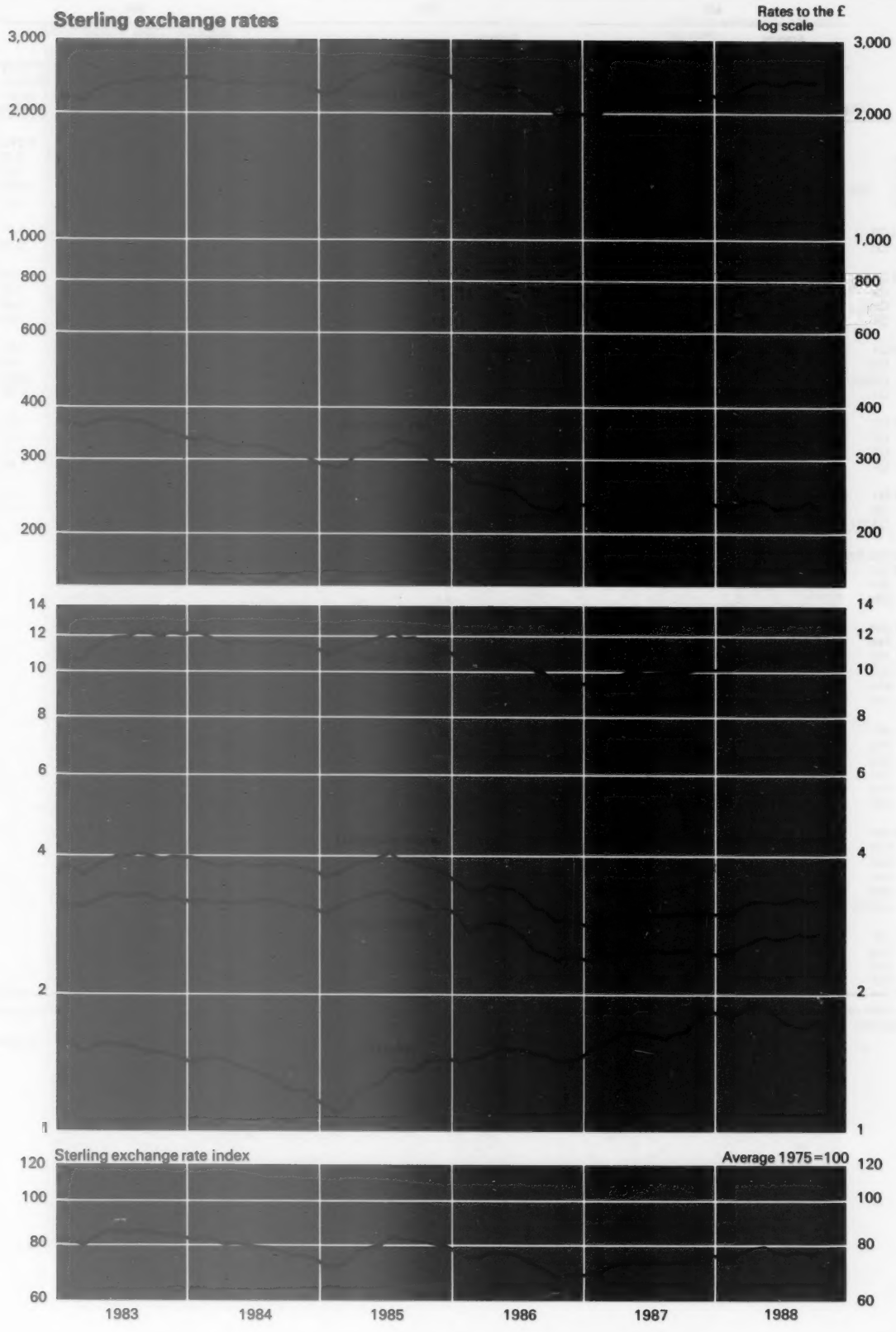
Not seasonally adjusted

	Sterling exchange rate against major currencies[1]						UK official reserves[2] at end of period ($ million)	Sterling exchange rate index (average 1975=100)
	Japanese yen	US dollar	Swiss franc	French franc	Italian lira	Deutsche-mark		
	AJFO	AJFA	AJFD	AJFE	AJFF	AJFH	AIPI	AJHT
1979	465.55	2.1225	3.5266	9.0253	1 762	3.887	22 538	87.3
1980	525.59	2.3281	3.8938	9.8250	1 992	4.227	27 476	96.1
1981	444.63	2.0254	3.9690	10.9356	2 287	4.556	23 347	94.9
1982	435.20	1.7489	3.5467	11.4846	2 364	4.243	16 997	90.5
1983	359.93	1.5158	3.1822	11.5471	2 302	3.870	17 817	83.2
1984	316.80	1.3364	3.1301	11.6349	2 339	3.791	15 694	78.6
1985	307.08	1.2976	3.1550	11.5494	2 463	3.784	15 543	78.3
1986	246.80	1.4672	2.6350	10.1569	2 186	3.183	21 923	72.8
1987	236.50	1.6392	2.4394	9.8369	2 123	2.941	44 326	72.6
1984 Q1	331.08	1.4353	3.1564	11.9021	2 385	3.875	16 749	81.7
Q2	320.69	1.3960	3.1359	11.6221	2 339	3.784	15 505	79.7
Q3	316.17	1.2993	3.1672	11.6211	2 333	3.786	15 260	78.0
Q4	299.45	1.2178	3.0610	11.3935	2 300	3.717	15 694	75.1
1985 Q1	287.13	1.1155	3.0685	11.0917	2 254	3.628	13 528	72.1
Q2	315.17	1.2577	3.2554	11.8273	2 475	3.878	14 318	78.9
Q3	328.10	1.3758	3.2339	11.9533	2 603	3.920	14 176	82.1
Q4	297.64	1.4356	3.0644	11.3248	2 514	3.711	15 543	79.9
1986 Q1	270.79	1.4391	2.8488	10.3829	2 303	3.382	18 750	75.1
Q2	256.40	1.5090	2.8132	10.7712	2 322	3.386	19 188	76.1
Q3	232.28	1.4891	2.5146	10.1009	2 140	3.109	22 426	72.0
Q4	229.22	1.4304	2.3783	9.3934	1 986	2.868	21 923	68.2
1987 Q1	236.20	1.5431	2.3848	9.4501	2 015	2.837	27 039	69.9
Q2	234.14	1.6410	2.4484	9.8908	2 134	2.964	34 364	72.8
Q3	237.82	1.6184	2.4670	9.9197	2 152	2.974	34 808	72.7
Q4	237.69	1.7535	2.4565	10.0821	2 188	2.989	44 326	74.9
1988 Q1	230.03	1.7972	2.4733	10.1923	2 221	3.013	47 519	75.4
Q2	231.18	1.8390	2.6114	10.6374	2 334	3.142	48 519	77.6
Q3	226.76	1.6951	2.6525	10.7159	2 349	3.165	50 482	75.9
1986 Mar	262.06	1.4670	2.8011	10.2269	2 263	3.325	18 750	74.6
Apr	262.17	1.4986	2.8463	10.7855	2 332	3.403	18 987	76.2
May	253.84	1.5206	2.8168	10.7882	2 322	3.387	19 166	76.1
Jun	252.78	1.5089	2.7751	10.7400	2 312	3.369	19 188	75.9
Jul	239.39	1.5080	2.6326	10.4549	2 229	3.248	19 083	74.0
Aug	229.18	1.4867	2.4701	9.9893	2 111	3.066	18 924	71.4
Sep	227.65	1.4716	2.4316	9.8324	2 073	3.003	22 426	70.4
Oct	223.15	1.4276	2.3437	9.3628	1 980	2.861	21 992	67.8
Nov	232.00	1.4253	2.4004	9.4327	1 996	2.884	22 006	68.5
Dec	233.22	1.4383	2.3950	9.3896	1 984	2.860	21 923	68.5
1987 Jan	232.94	1.5071	2.3482	9.3283	1 982	2.797	21 952	68.8
Feb	234.25	1.5271	2.3513	9.2774	1 981	2.785	22 257	69.0
Mar	241.07	1.5919	2.4502	9.7233	2 078	2.921	27 039	71.9
Apr	232.87	1.6299	2.4375	9.8295	2 106	2.952	29 807	72.3
May	234.13	1.6661	2.4507	9.9559	2 152	2.980	34 679	73.3
Jun	235.31	1.6293	2.4563	9.8904	2 143	2.962	34 364	72.6
Jul	241.83	1.6099	2.4719	9.9002	2 153	2.974	34 915	72.8
Aug	235.70	1.5975	2.4575	9.9034	2 149	2.967	34 365	72.3
Sep	235.56†	1.6462	2.4703	9.9548	2 155	2.981	34 808	73.1
Oct	238.05	1.6621	2.4825	9.9964	2 164	2.992	41 399	73.6
Nov	240.34	1.7754	2.4531	10.1314	2 200	2.986	41 281	75.4
Dec	234.67	1.8273	2.4325	10.1226	2 201	2.987	44 326	75.8
1988 Jan	229.90	1.7981	2.4241	10.0461	2 189	2.977	43 093	75.0
Feb	226.97	1.7578	2.4462	10.0760	2 196	2.982	42 927	74.3
Mar	232.94	1.8324	2.5407	10.4256	2 272	3.072	47 519	76.8
Apr	234.43	1.8765	2.5967	10.6503	2 329	3.137	47 857	78.2
May	233.21	1.8694	2.6378	10.7196	2 353	3.166	48 533	78.4
Jun	226.52	1.7790	2.6001	10.5517	2 320	3.123	48 519	76.2†
Jul	226.87	1.7042	2.6126	10.5953	2 328	3.144	49 826	75.6
Aug	227.09	1.6983	2.6895	10.8558	2 373	3.207	50 639	76.5
Sep	226.31	1.6833	2.6536	10.6910	2 344	3.143	50 482	75.5
Oct	223.87	1.7382	2.6744	10.7879	2 354	3.160	50 048	76.3
Nov	222.71	1.8090†	2.6532†	10.8030†	2 350†	3.162†	51 040†	77.1

1 Average of daily Telegraphic Transfer rates in London.

2 Apart from transactions, the level of official reserves is affected by changes in the dollar valuation of gold, Special Drawing Rights and convertible currencies. Since end-March 1979 these rates have been revised annually. These valuation changes are described in detail in the description of Table 10.3 in the *Financial Statistics Explanatory Handbook*, where the values of the annual changes are also shown.

Sources: Bank of England; HM Treasury


Sterling exchange rates
Rates to the £ log scale
3,000
2,000
1,000
800
600
400
300
200
14
12
10
8
6
4
2
1
Sterling exchange rate index
Average 1975=100
120
100
80
60
1983
1984
1985
1986
1987
1988

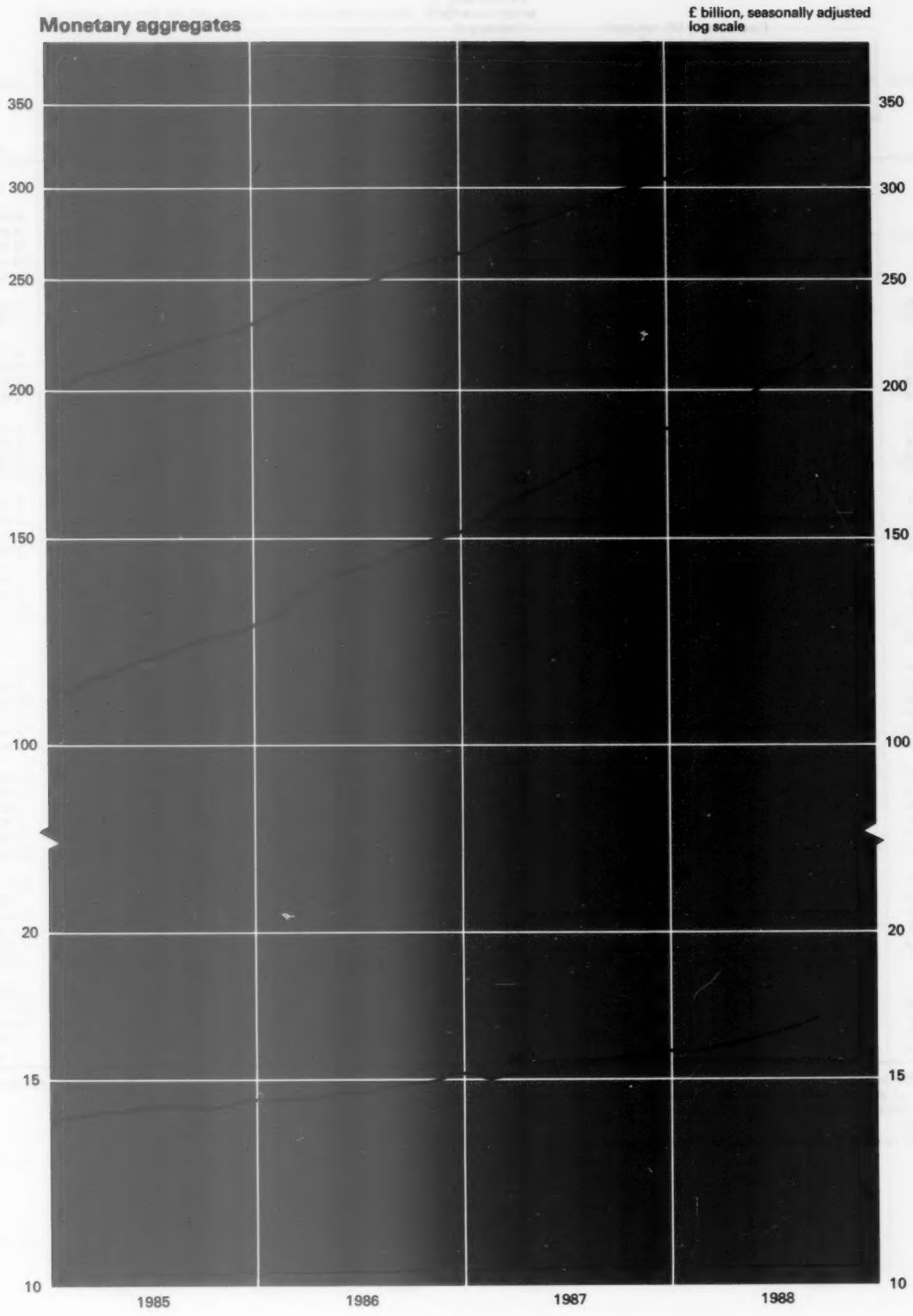
29 Monetary aggregates[1]

	M0				M3				M4			
	Amount outstanding[2] (NSA)				Amount outstanding (NSA)				Amount outstanding (NSA)			
	£ million	Annual percentage change	Amount outstanding (£ million)	Velocity of circulation: ratio	£ million	Annual percentage change	Amount outstanding (£ million)	Velocity of circulation: ratio	£ million	Annual percentage change	Amount outstanding (£ million)	Velocity of circulation: ratio
	AVAD	AVAK	AVAE	AVAM	AGAJ	AUZO	AGBC	AGBY	AUYM	AUZP	AUYN	AUYU
1984	13 472	*5.6*	13 468	24.12	111 955	*9.7*	109 904	3.09	199 397	*13.3*	198 759	1.73
1985	14 095	*4.6*	14 096	25.17	126 973	*13.4*	124 481	3.02	225 290	*13.0*	224 879	1.67
1986	14 665	*4.0*	14 664	25.89	151 169	*18.2*	150 135	2.74	261 212	*15.4*	261 040	1.55
1987	15 338	*4.6*	15 355	27.03	185 735†	*22.9*	184 510†	2.48	303 947†	*16.3*	303 769†	1.47
1984 Q3	13 614	*5.5*	13 563	23.97	107 766	*9.1*	107 373	3.07	192 289	*13.1*	193 176	1.71
Q4	13 962	*5.6*	13 789	24.28	111 955	*9.7*	109 904	3.07	199 397	*13.3*	198 759	1.70
1985 Q1	13 704	*5.4*	13 886	24.76	114 077	*11.5*	114 160	3.09	205 671	*13.8*	206 203	1.70
Q2	14 040	*5.4*	14 075	25.01	118 016	*11.4*	117 139	3.05	212 213	*12.8*	211 915	1.68
Q3	14 212	*4.4*	14 160	25.29	122 954	*13.7*	121 598	3.00	218 441	*13.4*	218 878	1.66
Q4	14 425	*3.3*	14 261	25.63	126 973	*13.4*	124 481	2.96	225 290	*13.0*	224 879	1.64
1986 Q1	14 255	*4.0*	14 405	25.75	133 377	*16.7*	132 914	2.90	235 822	*14.5*	236 088	1.61
Q2	14 464	*3.0*	14 523	25.84	140 324	*18.7*	140 116	2.74	245 850	*15.7*	246 089	1.56
Q3	14 782	*4.0*	14 728	25.82	146 484	*19.1*	145 773	2.67	252 986	*15.8*	253 180	1.52
Q4	15 159	*5.1*	15 000	26.15	151 169	*18.2*	150 135	2.64	261 212	*15.4*	261 040	1.52
1987 Q1	14 808	*3.9*	15 042	26.44	159 629	*19.2*	159 099	2.59	270 284	*14.1*	270 571	1.51
Q2	15 131	*4.6*	15 173	26.86	168 074	*19.3*	167 321	2.49	281 133	*13.9*	281 097	1.47
Q3	15 519	*5.0*	15 467	27.42	176 086	*19.7*	175 649	2.46	291 999	*15.0*	292 516	1.47
Q4	15 894	*4.9*	15 738	27.41	185 735†	*22.9*	184 510†	2.37	303 947†	*16.3*	303 769†	1.44
1988 Q1	15 622	*5.5*	15 833	27.71	193 130	*20.9*	192 149	2.35	315 525	*16.8*	314 691	1.43
Q2	16 107	*6.4*	16 168	27.84	202 220	*20.3*	201 177	2.29	328 558	*16.8*	327 163	1.40
Q3	16 708	*7.6*	16 649	..	215 839	*22.6*	214 992	..	346 380	*18.6*	345 592	..
Calendar month												
1986 Oct	14 693	*4.9*	14 831	..	147 812	*18.5*	147 188	..	255 861	*15.9*	256 398	..
Nov	14 827	*5.2*	14 975	..	149 983	*18.7*	148 540	..	258 437	*15.8*	258 677	..
Dec	15 956	*5.2*	15 194	..	151 169	*18.2*	150 135	..	261 212	*15.4*	261 040	..
1987 Jan	14 922	*4.1*	15 102	..	150 093	*17.7*	152 124	..	261 370	*13.9*	262 058	..
Feb	14 694	*4.1*	14 982	..	153 011	*19.0*	154 984	..	263 813	*13.9*	266 232	..
Mar	14 809	*3.5*	15 043	..	159 629	*19.2*	159 099	..	270 284	*14.1*	270 571	..
Apr	15 134	*5.3*	15 120	..	162 847	*20.5*	162 629	..	273 854	*14.7*	274 713	..
May	15 176	*4.4*	15 188	..	166 131	*19.0*	164 970	..	277 330	*13.8*	277 279	..
Jun	15 083	*4.2*	15 212	..	168 074	*19.3*	167 321	..	281 133	*13.9*	281 097	..
Jul	15 506	*5.3*	15 401	..	172 351	*21.0*	170 991	..	286 486	*15.0*	285 447	..
Aug	15 519	*4.5*	15 440	..	174 497	*22.2*	173 245	..	289 087	*15.6*	289 156	..
Sep	15 533	*5.2*	15 560	..	176 086	*19.7*	175 649	..	291 999	*15.0*	292 516	..
Oct	15 501	*5.5*	15 659	..	181 885	*22.5*	182 122	..	297 467	*15.8*	299 103	..
Nov	15 548	*4.9*	15 708	..	183 072	*21.5*	181 929	..	298 971	*15.2*	299 868	..
Dec	16 633	*4.2*	15 847	..	185 735†	*22.9*	184 510†	..	303 947†	*16.3*	303 769†	..
1988 Jan	15 639	*4.8*	15 801	..	183 824	*22.5*	185 677	..	304 497	*16.6*	304 853	..
Feb	15 477	*5.3*	15 783	..	184 508	*20.6*	186 566	..	305 868	*16.1*†	307 924	..
Mar	15 751	*6.4*	15 916	..	193 130	*20.9*	192 149	..	315 525	*16.8*	314 691	..
Apr	16 025	*5.9*	16 055	..	194 610	*19.4*	195 260	..	317 558	*16.0*	318 240	..
May	16 048	*5.7*	16 132	..	197 181	*18.6*	196 485	..	321 804	*16.1*	321 167	..
Jun	16 247	*7.7*	16 317	..	202 220	*20.3*	201 177	..	328 558	*16.8*	327 163	..
Jul	16 599	*7.0*	16 458	..	208 014	*20.6*	206 671	..	336 638	*17.5*	334 246	..
Aug	16 733	*7.8*	16 618	..	209 556	*20.0*	208 377	..	339 047	*17.3*	338 102	..
Sep	16 793	*8.1*	16 872	..	215 839	*22.6*	214 992	..	346 380	*18.6*	345 592	..
Oct	16 692†	*7.7*†	16 856†	..	217 818	*19.8*†	217 707	..	349 119	*17.4*	349 715	..

1 A fuller range of monetary aggregates is published monthly in *Financial Statistics*.

2 The monthly figures for M0 give the average of the amounts outstanding each Wednesday during the calendar month.

Source: Bank of England


Monetary aggregates
£ billion, seasonally adjusted
log scale
350
300
250
200
150
100
20
15
10
1985
1986
1987
1988

30 Counterparts to changes in money stock M3[1]

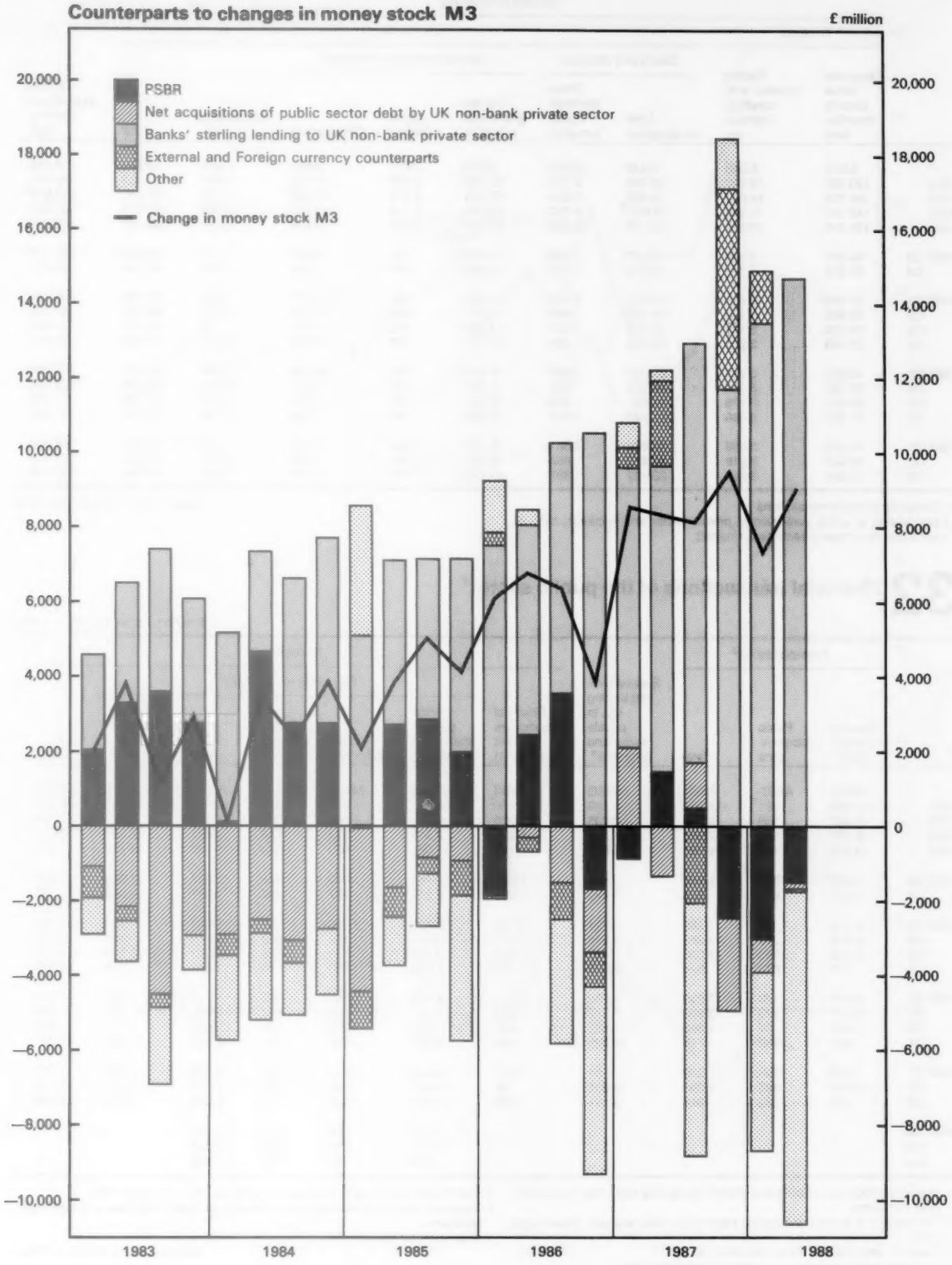
£ million, not seasonally adjusted

	Public Sector Borrowing Requirement	Purchases by UK non-bank private sector of:			External and foreign currency financing of public sector		Banks' sterling lending to UK non-bank private sector	External and foreign currency transactions of UK banks	Net non-deposit sterling liabilities	Domestic counterparts	External and foreign currency counterparts	M3
		Central government debt		Other public sector debt	Purchase of British government stocks by overseas sector	Other						
		British government stocks	Other									
	1	2	3	4	5	6	7	8	9	10	11	12
	ABEN	-ABGN	ABHJ	AGFA	-AARC	AQGA	AGFD	AGFJ	AGGG	AGFE	AGFF	AGCJ
1984	10 281	-7 454	-3 837	146	-969	-648	16 759	-1 987	-2 182	15 895	-3 604	9 892
1985	7 474	-6 364	-2 893	1 468	-2 920	-222	21 218	500	-3 013	20 903	-2 642	14 997
1986	2 421	-3 323	-2 456	2 228	-2 115	154	30 940	-516	-3 700	29 810	-2 477	23 146
1987	-1 470	-1 658†	-2 184	1 930†	-3 862†	11 507†	39 358†	-3 630†	-4 684†	35 976†	4 004†	34 653†
1984 Q3	2 774	-2 053	-823	-162	-204	-421	3 882	-84	-600	3 618	-709	2 245
Q4	2 750	-2 224	-1 379	862	-356	330	4 995	-580	-565	5 004	-606	3 782
1985 Q1	-66	-3 656	-894	-21	-716	-275	7 183	2 033	-1 593	2 746	1 042	2 111
Q2	2 716	-960	-844	174	-1 277	471	4 454	246	-993	5 540	-560	3 939
Q3	2 837	-730	-618	495	-377	-44	4 373	-32	-916	6 357	-453	4 924
Q4	1 987	-1 018	-737	820	-550	-374	5 208	-1 747	489	6 260	-2 671	4 023
1986 Q1	-1 882	-92	-68	101	-72	385	7 690	812	-571	5 749	1 125	6 135
Q2	2 430	-819	-1 158	1 683	-768	373	5 766	1 221	-1 661	7 902	826	6 950
Q3	3 543	-770	-810	107	-552	-455	6 872	-874	-574	8 942	-1 881	6 349
Q4	-1 670	-1 642	-420	337	-723	-149	10 612	-1 675	-894	7 217	-2 547	3 712
1987 Q1	-867	1 460†	-141†	592†	-533†	1 329†	7 625	665	-1 411	8 669†	1 461†	8 571
Q2	1 446	-1 784	-1 113	826	-1 003	4 023	8 321	-664†	-1 473†	7 696	2 356	8 444
Q3	420	1 096	-436	540	-2 243	261	11 454	-2 026	-791	13 074	-4 019	8 070
Q4	-2 469	-2 430	-494	-28	-83	5 894	11 958†	-1 605	-1 009	6 537	4 206	9 568†
1988 Q1	-3 026	-779	-103	-39	-158	1 642	13 163	-2 439	-1 228	9 216	-955	7 284
Q2	-1 575†	340	-129	651	-438	611	14 041	-3 852	-1 173	13 371	-3 710	9 136
Q3	-2 053	761	-180	630	244	..	14 801	393	-2 289	14 056	1 672	13 778
1986 Dec	-1 484	135	-19	-54	-231	66	3 974	-2 437	263	2 560	-2 602	221
1987 Jan	-3 668	525	351	35	152	252	1 492	-516	301	-1 265	-112	-1 076
Feb	-351	331	-209	176	-108	150	2 577	193	125	2 522	235	2 882
Mar	3 152	673	-283	359	-646	945	3 436	988	-1 861	7 339	1 287	6 765
Apr	2 010	-533	-62	262	-255	1 751	1 115	-1 129	58	2 792	367	3 217
May	-161	-832	-454	477†	9	2 861	2 346	-372	-589	1 376	2 498	3 285
Jun	-403	-271	-598	86	-904	-590	4 712	837	-927	3 526	-657	1 942
Jul	-433	667	-121	280	-1 234	399	4 599	-1 542	1 653	4 992	-2 377	4 268
Aug	609	243	-233	443	-495	-321	1 134	794	-29	2 197	-22	2 146
Sep	244	154	-83	-182	-482	183	5 519	-1 289	-2 408	5 652	-1 588	1 656
Oct	-1 002	-16	-69	-12	-841	3 786	2 965	650	338	1 866	3 595	5 799
Nov	-1 628	-1 665	-246†	326	743	-167	3 305	189	330	92	765	1 187
Dec	161	-720	-181	-336	-14	2 318	5 472†	-2 444	-1 673	4 395†	-140	2 582†
1988 Jan	-6 313	-507	223	-82	-222	343	5 099	-1 630	1 062	-1 580	-1 509	-2 027
Feb	-502	-763	-87	159	-262	-40	2 460	-471	194	1 267	-773	688
Mar	3 789	409	-239	-115	408	1 338	5 867	-338	-2 496	9 711	1 408	8 623
Apr	-1 113†	-821†	-97	410	-267†	307	4 245	-1 447†	235†	2 652	-1 407†	1 480
May	-545	520	46	-87	-	252	3 180	-270	-556	3 142	-18	2 568
Jun	83	634	-78	294	-163	86	7 272	-2 218	-851	8 234	-2 295	5 088
Jul	-1 608	999	-274	187	-295	611	6 310	632	-760	5 606	948	5 794
Aug	-1 573	559	-39	430	-357	493	1 640	276	60	1 071	412	1 543
Sep	1 128	-526	133	-2	631	12†	7 292	-579	-1 590	7 967	64	6 441
Oct	-2 393	2 171	92	328	-384	470	3 953	-2 132	-164	4 189	-2 046	1 979
Nov	-206	..	..	..	..	..	..	..	..	..	..	..

For most periods the relationships between the columns are as follows: 10 = 1+2+3+4+7; 11 = 5+6+8; 12 = 9+10+11. Due to the inclusion of the latest PSBR information, the figures for more recent periods may not add exactly.

1 A wider range of figures is published monthly in *Financial Statistics*.

Source: Bank of England


Counterparts to changes in money stock M3
£ million
PSBR
Net acquisitions of public sector debt by UK non-bank private sector
Banks' sterling lending to UK non-bank private sector
External and Foreign currency counterparts
Other
Change in money stock M3
20,000
18,000
16,000
14,000
12,000
10,000
8,000
6,000
4,000
2,000
0
—2,000
—4,000
—6,000
—8,000
—10,000
1983
1984
1985
1986
1987
1988

31 General government receipts and expenditure

£ million, not seasonally adjusted

	General government									
	Receipts[1]		Expenditure							
			Goods and services		Current and capital transfers					
	Taxes and social security contributions	Trading income, rent, royalties, interest, etc.	Final consumption	Gross domestic capital formation	Current grants and subsidies	Capital transfers	Debt interest	Net lending etc[2]	Total	Public expenditure planning total
	ABKA	ABKB	AAXI	ABKC	ABKD	AAYG	AAXL	ABAA	ABAB	ABAZ
1984	123 351	12 837	69 884	6 773	52 666	3 798	15 756	-1 664	147 213	126 040
1985	134 729	14 682†	73 995	7 034	57 291	3 319	17 459†	-1 734	157 364†	133 609†
1986	143 790†	12 990	79 687†	6 770	59 068	3 119	17 173	-3 999	161 818	137 369
1987	155 349	13 311	85 773	6 359†	61 631†	3 104	17 668	-6 340†	168 195	142 906
1985 Q3	34 507	3 586†	18 077	1 736	14 217	818	4 668†	-47	39 469†	32 872†
Q4	34 953	3 742	18 816	1 730	14 224	810	4 316	214	40 110	34 211
1986 Q1	37 999†	3 439	20 471	2 674	14 252	949	4 821	-599	42 568	36 185
Q2	32 869	3 198	19 332†	1 249	14 710	659	3 736	-1 216	38 470	32 420
Q3	34 823	3 137	19 599	1 451	14 962	778	4 726	56	41 572	34 853
Q4	38 099	3 216	20 285	1 396	15 144	733	3 890	-2 240	39 208	33 911
1987 Q1	40 254	3 489	21 665	2 465†	15 443†	978	5 202	-518	45 235	38 098
Q2	34 780	3 180	20 705	988	15 466	619	3 558	-3 049	38 287	32 720
Q3	39 235	3 176	21 421	1 393	15 324	758	4 964	-1 575†	42 285	35 429
Q4	41 080	3 466	21 982	1 513	15 398	749	3 944	-1 198	42 388	36 659
1988 Q1	45 619	3 599	23 022	2 561	16 297	956†	5 357	676	48 869	40 894
Q2	38 523	3 216	22 310	954	15 625	606	3 700	-2 751	40 444	34 412
Q3	41 890	3 351	22 409	1 387	15 046	1 219	5 078	-1 603	43 536	35 939

1 Excluding financial transactions.
2 Net lending to public corporations, private sector and overseas; cash expenditure on company securities, etc.(net).

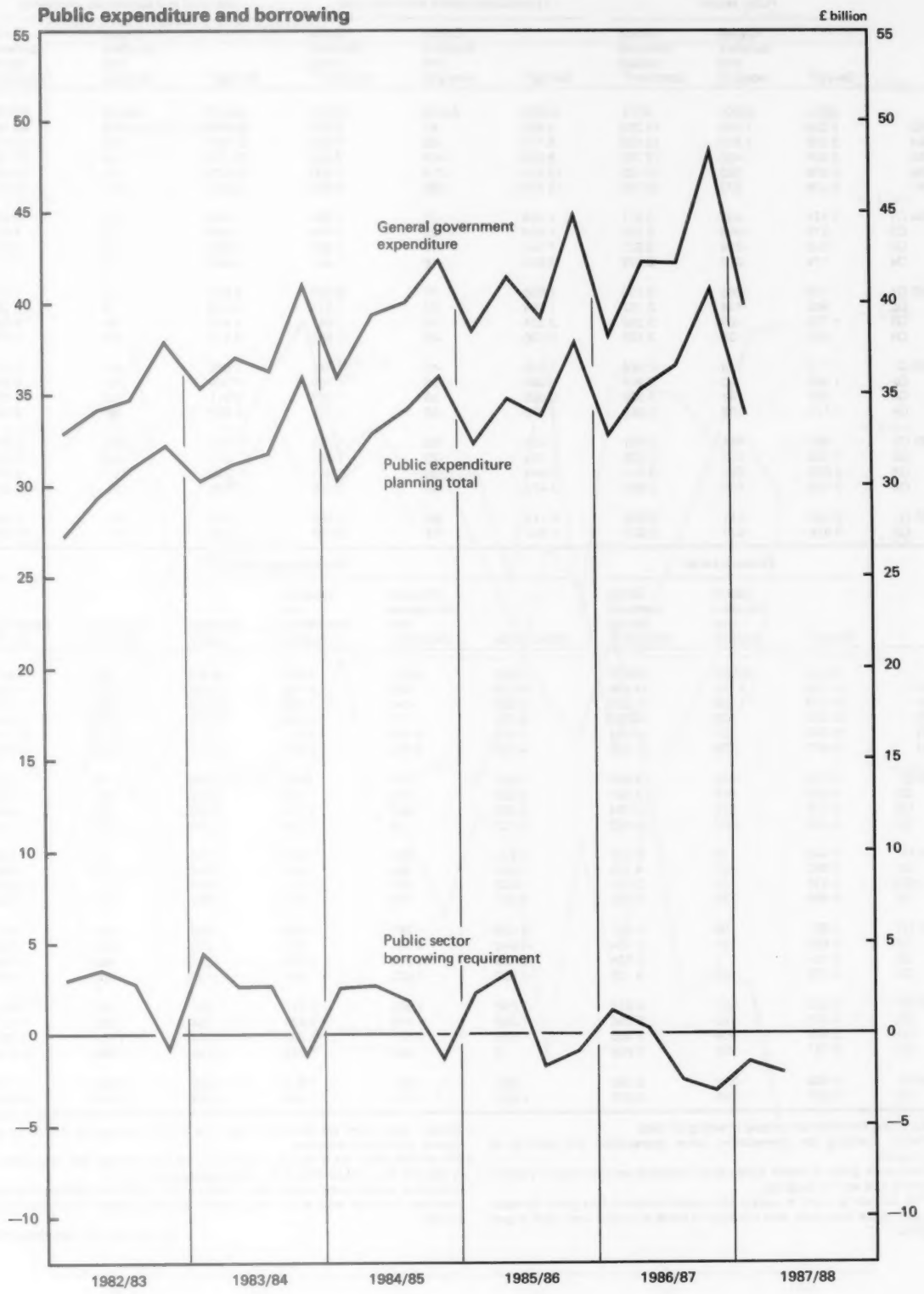
Source: Central Statistical Office

32 Financial transactions of the public sector[1]

£ million, not seasonally adjusted

	Financial deficit[2]			Expenditure: net lending etc, to private sector and overseas[4]	Receipts						
						Borrowing requirement[5]					
	General government[3]	Public corporations	Total		Financial transactions (net receipts)	Central government (own account[6])	Local authorities	Public corporations	Total	Seasonally adjusted total[7]	Total
	-AABC	AABD	AABE	ABKG	ABKI	ABEB	ABEG	ABEM	ABEN	ABFB	ABKH
1984	-12 689	-291†	-12 980†	-2 429	270†	6 661	2 301	1 319	10 281	10 281	10 551†
1985	-9 687†	138	-9 549	-2 295	-220	6 242	1 583	-351	7 474	7 474	7 254
1986	-9 037	1 094	-7 943	-4 010	1 512	2 515	674	-768	2 421	2 421	3 933
1987	-5 875	1 194	-4 681	-5 962†	189	-1 061	959	-1 368	-1 470	-1 470	-1 281
1985 Q3	-1 423†	-250†	-1 673†	-523	-1 687†	2 444	639	-246	2 837	2 362†	1 150†
Q4	-1 201	678	-523	-442	-1 906	2 317	-737	407	1 987	2 063	81
1986 Q1	-1 729	440	-1 289	-721	2 450	-3 157	1 296	-21	-1 882	233	568
Q2	-3 619	357	-3 262	-1 006	-174	3 072	-104	-538	2 430	855	2 256
Q3	-3 556	-380	-3 936	-41	352	3 636	132	-225	3 543	2 251	3 895
Q4	-133	677	544	-2 242	-1 116	-1 036	-650	16	-1 670	-918	-2 786
1987 Q1	-2 010	-20	-2 030	-586	2 311	-1 126	861	-602	-867	387	1 444
Q2	-3 376	473	-2 903	-2 372†	-915	1 725	188	-467	1 446	-435	531
Q3	-1 449	-17	-1 466	-1 681	-635	340	279	-199	420	-17	-215
Q4	960	758	1 718	-1 323	-572	-2 000	-369	-100	-2 469	-1 405	-3 041
1988 Q1	1 025	195	1 220	61	1 867	-3 458	1 214	-782	-3 026	-1 683	-1 159
Q2	-1 456	365	-1 091	-2 600	66	-1 491†	269†	-353†	-1 575†	-3 125	-1 509
Q3	102	282	384	-2 171	-502	-1 677	-198	-178	-2 053	-2 849	-2 555
1988 Sep	..	..	..	..	..	1 103†	-126†	151†	1 128†	..	..
Oct	..	..	..	..	..	-1 549	-537	-307	-2 393	..	..
Nov	..	..	..	..	..	296	-169	-333	-206	..	..

1 Due to the inclusion of the latest PSBR figures this table may not be internally consistent.
2 The excess of current and capital expenditure over receipts, shown negatively.
3 Table 31, columns 3 to 7 *less* columns 1 and 2.
4 Including cash expenditure on company securities (net).
5 Redefined: see article in *Economic Trends*, No. 364, February 1984.
6 Excluding borrowing matched by on-lending to local authorities and public corporations.
7 Calendar year constrained.


Public expenditure and borrowing
£ billion
55
50
45
40
35
30
25
20
15
10
5
0
−5
−10
General government expenditure
Public expenditure planning total
Public sector borrowing requirement
1982/83
1983/84
1984/85
1985/86
1986/87
1987/88

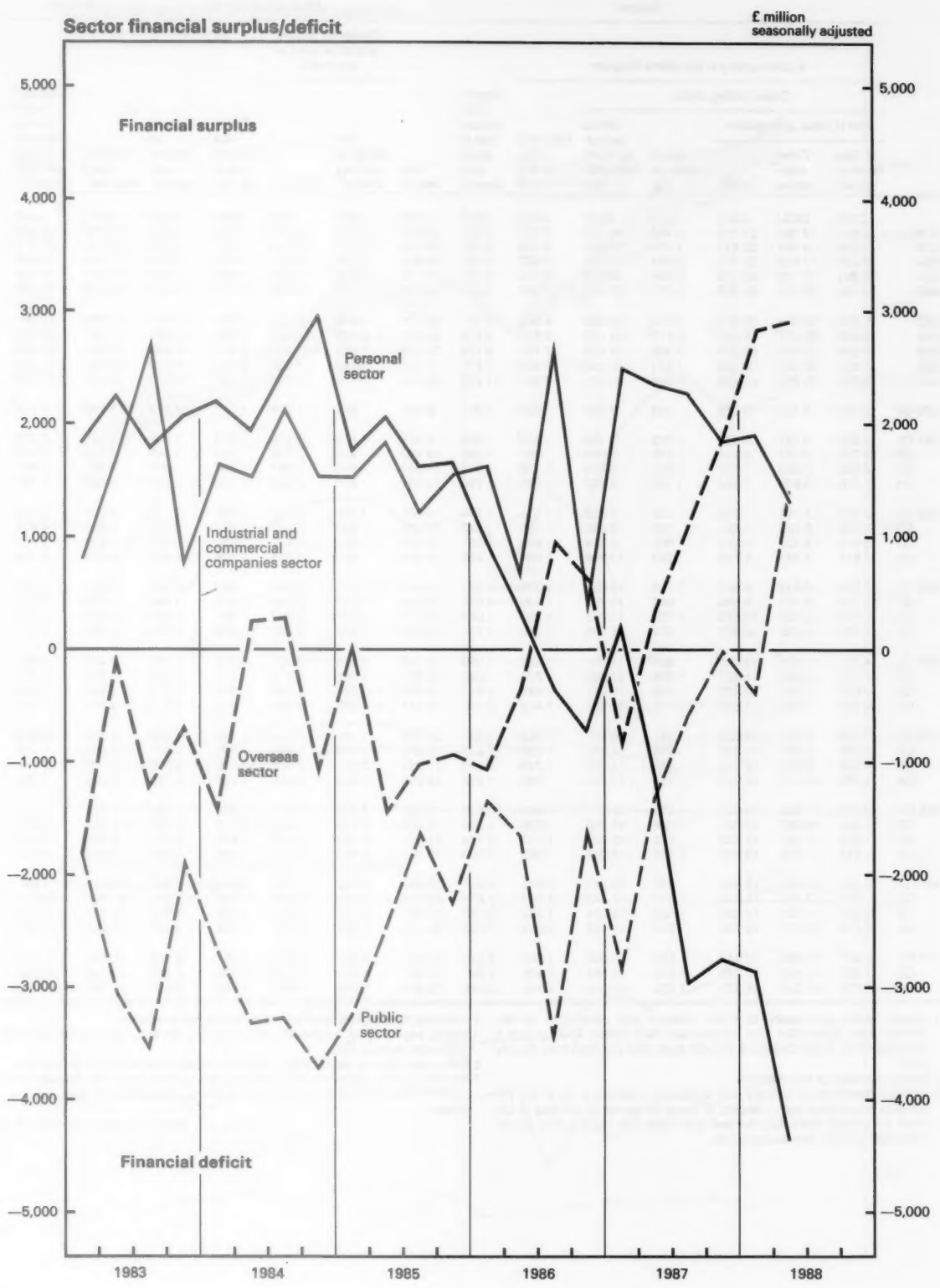
33 Summary capital accounts and financial surplus or deficit[7]

£ million

	Public sector[1]			Financial companies and institutions			Industrial and commercial companies		
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]
	ABKJ	ABKK	ABKL	AAUM	AAUN	GGCX	AAUQ	AAUR	GGCW
1983	5 338	-1 366	14 208	6 362	-61	5 376	25 978	313	20 206
1984	2 235	-1 518	13 699	6 172	-65	7 048	31 601	194	24 916
1985	3 625	-400	12 782	8 666	-118	7 829	33 233	80	27 159
1986	3 896	280	12 155	12 374	-219	7 293	33 873	-34	28 422
1987	5 076	973	10 769	13 770	-282	8 005	45 691	-363	36 257
1984 Q1	1 121	-497	3 311	1 358	-12	1 531	7 428	67	5 862
Q2	378	-393	3 293	1 608	-21	1 749	7 554	49	6 070
Q3	562	-304	3 523	1 191	-16	1 827	8 037	45	5 913
Q4	174	-324	3 572	2 015	-16	1 941	8 582	33	7 071
1985 Q1	113	-166	3 190	1 958	-21	2 469	8 697	12	7 171
Q2	869	-144	3 187	1 788	-32	1 511	8 612	9	6 787
Q3	1 753	-65	3 280	2 324	-32	1 987	7 807	30	6 626
Q4	890	-25	3 125	2 596	-33	1 862	8 117	29	6 575
1986 Q1	1 713	26	3 068	2 768	-45	1 942	7 865	-37	6 182
Q2	1 555	23	3 218	2 999	-58	1 760	7 009	56	6 394
Q3	-493	44	3 009	3 085	-58	1 749	9 911	13	7 185
Q4	1 121	187	2 860	3 522	-58	1 842	9 088	-66	8 661
1987 Q1	-261	154	2 751	3 458	-63	1 785	10 565	-40	8 008
Q2	1 169	142	2 599	3 194	-73	1 981	11 502	-59	9 068
Q3	2 000	238	2 814	3 644	-56	1 861	12 248	-113	9 843
Q4	2 168	439	2 605	3 474	-90	2 398	11 376	-151	9 338
1988 Q1	2 146	411	2 946	4 119	-63	2 359	11 142	-147	9 085
Q2	3 934	379	2 874	4 647	-72	2 603	11 696	-111	10 256

	Personal sector			Financial surplus/deficit[4]					
	Saving[2]	Capital transfers (net receipts)	Gross domestic capital formation[3]	Public sector	Financial companies and institutions	Industrial and commercial companies	Personal sector	Overseas sector[5]	Balancing item[6]
	AAUU	AAUV	GGCV	AAVE	AAVF	AAVG	AAVH	AAVI	AAVJ
1983	21 338	1 114	14 494	-10 236	925	6 085	7 956	-3 832	-898
1984	23 270	1 389	15 129	-12 982	-941	6 879	9 530	-2 022	-464
1985	22 535	438	15 898	-9 557	719	6 154	7 075	-3 337	-1 054
1986	18 743	-27	18 504	-7 979	4 862	5 417	212	199	-2 711
1987	14 875	-328	21 221	-4 720	5 483	9 071	-6 674	2 504	-5 664
1984 Q1	5 740	442	3 984	-2 687	-185	1 633	2 198	-1 439	480
Q2	5 230	365	3 669	-3 308	-162	1 533	1 926	231	-220
Q3	5 995	275	3 794	-3 265	-652	2 169	2 476	269	-997
Q4	6 305	307	3 682	-3 722	58	1 544	2 930	-1 083	273
1985 Q1	5 549	175	3 972	-3 243	-532	1 538	1 752	50	435
Q2	6 062	167	4 165	-2 462	245	1 834	2 064	-1 445	-236
Q3	5 336	67	3 795	-1 592	305	1 211	1 608	-1 017	-515
Q4	5 588	29	3 966	-2 260	701	1 571	1 651	-925	-738
1986 Q1	4 957	56	4 057	-1 329	781	1 646	956	-1 081	-973
Q2	4 833	-21	4 494	-1 640	1 181	671	318	-324	-206
Q3	4 481	1	4 824	-3 458	1 278	2 739	-342	969	-1 186
Q4	4 472	-63	5 129	-1 552	1 622	361	-720	635	-346
1987 Q1	5 088	-51	4 814	-2 858	1 630	2 517	223	-844	-668
Q2	4 102	-10	5 256	-1 288	1 140	2 375	-1 164	355	-1 418
Q3	2 948	-69	5 863	-576	1 727	2 292	-2 984	1 104	-1 563
Q4	2 737	-198	5 288	2	986	1 887	-2 749	1 889	-2 015
1988 Q1	3 569	-201	6 250	-389	1 697	1 910	-2 882	2 843	-3 179
Q2	2 507	-196	6 676	1 439	1 972	1 329	-4 365	2 914	-3 289

1 Excluding financial transactions in writing-off debt.
2 Before providing for depreciation, stock appreciation and addition to reserves.
3 Comprises gross domestic fixed capital formation and increase in value of stocks and work in progress.
4 This balance is equal to saving *plus* capital transfers *less* gross domestic fixed capital formation, *less* increase in value of stocks and work in progress.
5 Equals, apart from the change in sign, the current balance of payments accounts, *plus* capital transfers.
6 For periods when the sector current and capital accounts are fully articulated, it is equal to the residual error in the national accounts.
7 In order to present a consistent table, third quarter figures for 1988 together with revisions to earlier data which are available for some series have not been included.


Sector financial surplus/deficit
£ million
seasonally adjusted
5,000
4,000
3,000
2,000
1,000
0
—1,000
—2,000
—3,000
—4,000
—5,000
Financial surplus
Financial deficit
Personal sector
Industrial and commercial companies sector
Overseas sector
Public sector
1983
1984
1985
1986
1987
1988

34 Appropriation account of industrial and commercial companies[1]

£ million

	Income								Allocation of income				Balance	
	Income arising in the United Kingdom								Dividends, interest and other transfer payments					
	Gross trading profits													
	Net of stock appreciation													
	N. Sea oil companies	Other companies	Total[2]	Stock appreciation	Before deducting stock appreciation	Rent and non-trading income	Income from abroad (net of taxes paid abroad)	Total income	Dividends on ordinary shares[3]	Other[3,4]	Profits due abroad (net of UK tax)	UK taxes on income: payments[5]	Undistributed income[6]	Undistributed income adjusted for unremitted profits[6,7]
	CIDT	CIDU	AIAO	AIAP	AIAQ	AIAR	AIAS	AIAN	AIAU	AIAV	AIAW	AIAY	AAUQ	AIAZ
1978	2 614	18 396	21 010	3 443	24 453	2 131†	2 972	29 556†	1 941	4 294†	1 980	3 246	18 095†	18 057†
1979	5 255	18 562	23 817	7 408	31 225	2 923	5 651	39 799	3 471	6 346	3 711	4 245	22 026	22 975
1980	8 056	17 656	25 712	5 394	31 106	3 637	5 085	39 828	3 234	8 841	4 424	5 705	17 624	18 383
1981	10 864	17 146	28 010	5 064	33 074	4 316	5 723	43 113	3 303	9 485	4 182	7 676	18 467	18 187
1982	12 726	21 303	34 029	3 511	37 540	4 501	5 647	47 688	4 057	10 432	3 973	9 198	20 028	19 489
1983	15 683	24 696	40 379	3 619	43 998	4 905	6 811	55 714	4 840	9 452	4 631	10 923	25 868	24 921
1984	19 009	28 027†	47 036†	4 117†	51 153	5 526	8 814	65 493	5 130	10 645	5 536	12 691	31 491	28 890
1985	18 365	37 974	56 339	2 209	58 548	7 101	8 724	74 373	7 027	12 627	6 352	15 280	33 087	32 080
1986	8 421	46 084	54 505	1 641	56 146†	7 400	7 871	71 417	8 963	11 333	4 463	12 819†	33 839	31 535
1987	9 524	55 231	64 755	4 316	69 071	7 957	11 455	88 483	12 375	11 793	5 467†	13 513	45 335	41 595
1980 Q4	2 164	4 151	6 315	768	7 083	936	1 217	9 236	956	2 306†	1 011	1 664	3 299†	3 319†
1981 Q1	2 395	3 731	6 126	1 073	7 199	939†	1 359	9 497†	812	2 189	903	1 732	3 861	3 442
Q2	2 731	3 787	6 518	1 450	7 968	961	1 240	10 169	820	2 216	760	1 645	4 728	4 275
Q3	2 862	4 550	7 412	1 343	8 755	1 178	1 410	11 343	813	2 381	1 069	1 890	5 190	5 003
Q4	2 876	5 078	7 954	1 198	9 152	1 238	1 714	12 104	858	2 699	1 450	2 409	4 688	5 467
1982 Q1	2 634	4 405	7 039	929	7 968	1 184	1 349	10 501	1 170	2 592	1 008	2 122	3 609	3 133
Q2	3 069	5 762	8 831	759	9 590	1 158	1 342	12 090	999	2 712	927	2 464	4 988	4 811
Q3	3 512	5 302	8 814	900	9 714	1 075	1 351	12 140	971	2 573	930	2 457	5 209	5 042
Q4	3 511	5 834	9 345	923	10 268	1 084	1 605	12 957	917	2 555	1 108	2 155	6 222	6 503
1983 Q1	3 628	5 313	8 941	1 115	10 056	1 209	1 575	12 840	981	2 464	926	2 882	5 587	5 296
Q2	3 725	6 125	9 850	857	10 707	1 190	1 532	13 429	1 241	2 348	1 292	2 342	6 206	6 191
Q3	4 193	6 423	10 616	1 123	11 739	1 250	1 982	14 971	1 291	2 340	1 067	2 089	8 184	7 943
Q4	4 137	6 835	10 972	524	11 496	1 256	1 722	14 474	1 327	2 300	1 346	3 610	5 891	5 491
1984 Q1	4 211	6 693†	10 904†	863†	11 767	1 322	1 959	15 048	1 078	2 297	1 372	2 894	7 407	7 251
Q2	4 715	6 555	11 270	1 378	12 648	1 274	1 933	15 855	1 368	2 515	1 471	2 983	7 518	7 237
Q3	4 901	7 321	12 222	759	12 981	1 481	2 517	16 979	1 257	2 959	1 518	3 240	8 005	7 340
Q4	5 182	7 458	12 640	1 117	13 757	1 449	2 405	17 611	1 427	2 874	1 175	3 574	8 561	7 062
1985 Q1	5 139	8 887	14 026	1 131	15 157	1 787	2 362	19 306	1 460	3 394	1 746	4 042	8 664	8 662
Q2	4 997	9 251	14 248	395	14 643	1 799	2 410	18 852	1 714	3 235	1 699	3 631	8 573	8 149
Q3	4 094	9 661	13 755	245	14 000	1 749	2 240	17 989	2 011	2 993	1 409	3 810	7 766	7 420
Q4	4 135	10 175	14 310	438	14 748	1 766	1 712	18 226	1 842	3 005	1 498	3 797	8 084	7 849
1986 Q1	3 136	11 265	14 401	-510	13 891†	1 866	1 575	17 332	1 933	2 921	988	3 356†	8 134	7 922
Q2	1 704	11 497	13 201	64	13 265	1 780	1 924	16 969	2 270	2 663	1 115	4 028	6 893	6 601
Q3	1 633	11 467	13 100	852	13 952	1 791	2 172	17 915	2 168	2 735	1 074	2 130	9 808	9 395
Q4	1 948	11 855	13 803	1 235	15 038	1 963	2 200	19 201	2 592	3 014	1 286	3 305	9 004	7 617
1987 Q1	2 476	12 946	15 422	825	16 247	2 030	2 617†	20 894	3 182	2 924	1 359	2 772	10 657	9 628
Q2	2 370	13 493	15 863	1 379	17 242	1 886	2 874	22 002	2 789	2 875	1 280†	3 592	11 466	10 236
Q3	2 504	14 721	17 225	1 169	18 394	1 998	3 032	23 424	3 052	3 043	1 403	3 729	12 197	10 929
Q4	2 174	14 071	16 245	943	17 188	2 043	2 932	22 163	3 352	2 951	1 425	3 420	11 015	10 802
1988 Q1	1 987†	15 955	17 942	696	18 638	1 990	2 610	23 238	3 867	3 224	1 257	3 718	11 172	10 104
Q2	1 837	15 482	17 319	1 545	18 864	2 000	2 967	23 831	3 758†	3 132	1 393	4 159	11 389	10 569
Q3	1 770	17 202	18 972	1 424	20 396	2 432	3 076	25 904	4 329	3 967	1 660	3 562	12 386	11 666

1 Figures reflect privatisation of British Telecom with effect from 26 November 1984, British Gas from 3 December 1986, British Airways from 6 February 1987, Royal Ordnance from 22 April 1987 and BAA from 16 July 1987.

2 Before providing for depreciation.

3 Dividend payments on ordinary and preference shares are net of tax; the advance corporation tax in respect of those dividends is included in UK taxes on income. Excludes dividend and debenture interest paid by UK subsidiaries to their overseas parents.

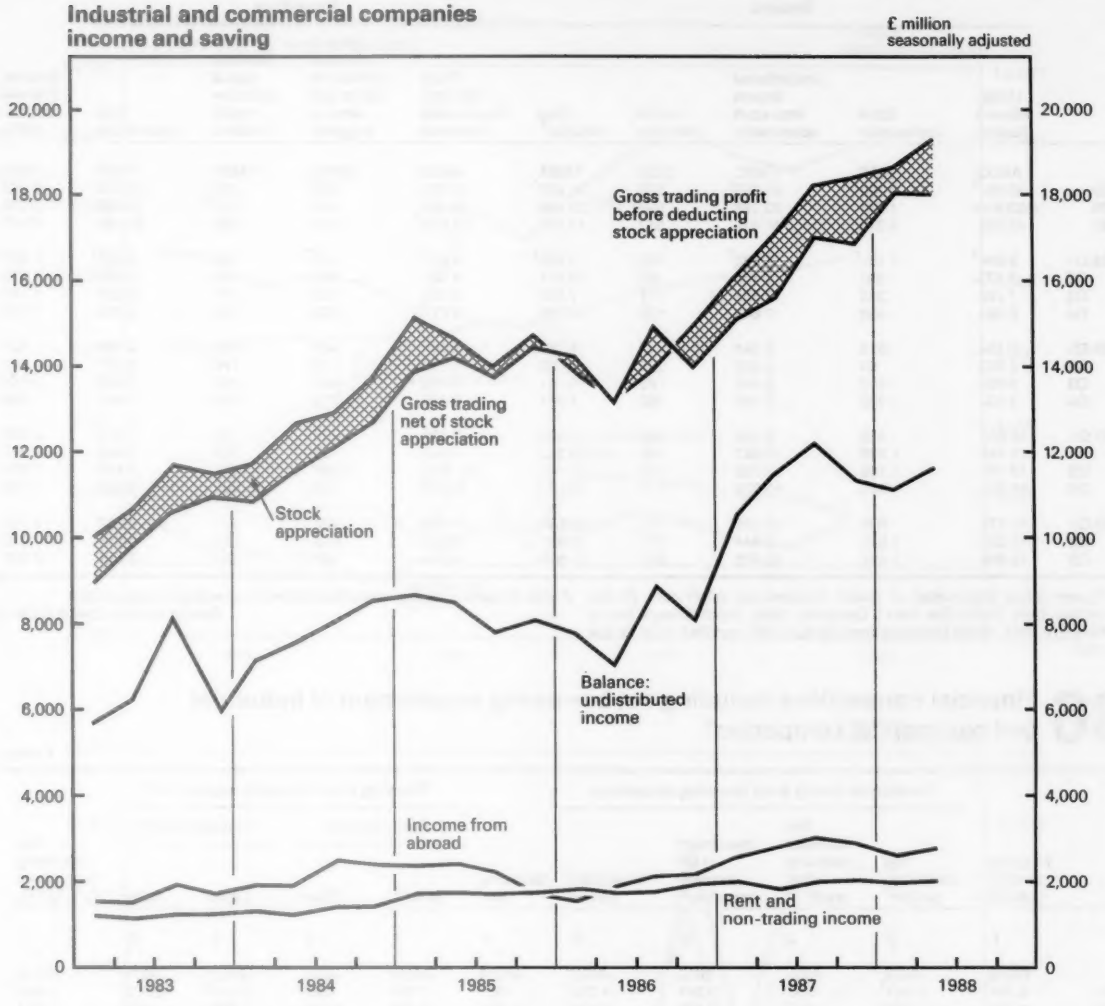
4 Including royalties and licence fees on oil and gas production.

5 Mainly payments of corporation tax (including advance corporation tax) and petroleum revenue tax.

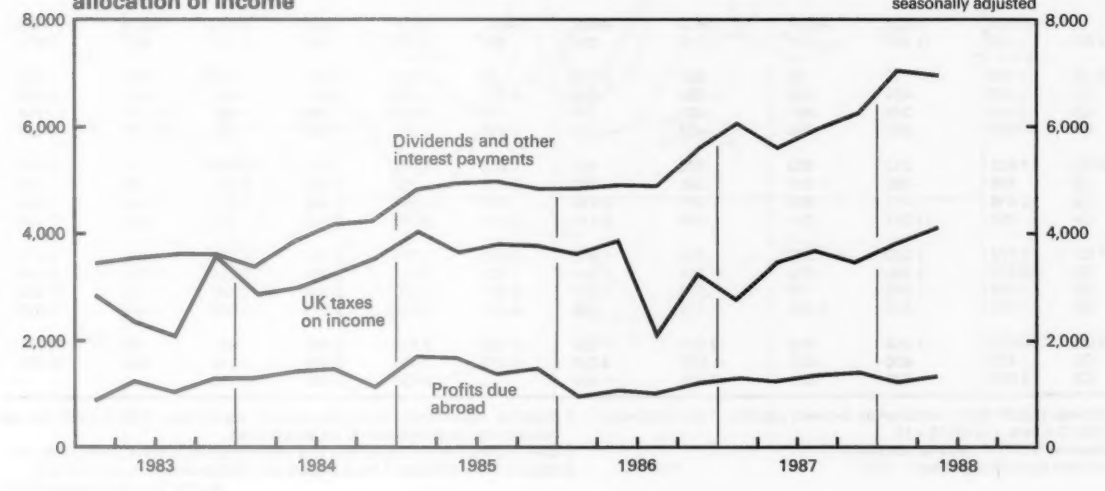
6 Before providing for depreciation, stock appreciation and additions to reserves.

7 Excludes profits retained abroad by overseas subsidiaries of UK companies. Includes profits retained in the United Kingdom by subsidiaries of overseas companies.

Industrial and commercial companies income and saving



Industrial and commercial companies allocation of income



35 Capital account and financial surplus/deficit of industrial and commercial companies[1]

£ million

	Receipts					Expenditure				
	Undistributed income	Stock appreciation	Undistributed income less stock appreciation	Capital transfers	Total receipts[2]	Gross domestic fixed capital formation	Value of physical increase in stocks and work in progress	Taxes on capital and other capital transfers	Total expenditure	Balance: financial surplus/deficit
	AAUQ	AIAP	FMBC	CIDZ	FMBA	AAUS	FMBG	FMBH	FMBF	AAVG
1985	33 087†	2 209†	30 878†	559	31 437†	24 762	189†	479	25 430†	6 007†
1986	33 839	1 641	32 198	698	32 896	26 062	767	771†	27 600	5 296
1987	45 335	4 316	41 019	512	41 531	30 776†	1 412	896	33 084	8 447
1985 Q1	8 664†	1 131†	7 533†	175	7 708†	6 227	-87†	163	6 303†	1 405†
Q2	8 573	395	8 178	93	8 271	6 007	260	84	6 351	1 920
Q3	7 766	245	7 521	141	7 662	6 257	154	111	6 522	1 140
Q4	8 084	438	7 646	150	7 796	6 271	-138	121	6 254	1 542
1986 Q1	8 134	-510	8 644	142	8 786	6 381	404	179	6 964	1 822
Q2	6 893	64	6 829	209	7 038	6 219	75	176†	6 470	568
Q3	9 808	852	8 956	185	9 141	6 746	-422	201	6 525	2 616
Q4	9 004	1 235	7 769	162	7 931	6 716	710	215	7 641	290
1987 Q1	10 657	825	9 832	154	9 986	7 009	237	168	7 414	2 572
Q2	11 466	1 379	10 087	135	10 222	7 645	53	207	7 905	2 317
Q3	12 197	1 169	11 028	113	11 141	7 910	1 033	239	9 182	1 959
Q4	11 015	943	10 072	110	10 182	8 212†	89	282	8 583	1 599
1988 Q1	11 172	696	10 476	108	10 584	8 289	221	322	8 832	1 752
Q2	11 389	1 545	9 844	117†	9 961	8 656	616	254	9 526	435
Q3	12 386	1 424	10 962	657	11 619	8 314	-87	297	8 524	3 095

1 Figures reflect privatisation of British Telecom with effect from 28 November 1984, British Gas from 3 December 1986, British Airways from 6 February 1987, Royal Ordnance from 22 April 1987 and BAA from 16 July 1987.

2 After deducting stock appreciation but before providing for depreciation.

Source: Central Statistical Office

36 Financial transactions including net borrowing requirement of industrial and commercial companies[1]

£ million

	Transactions leading to net borrowing requirement						Financing of net borrowing requirement[4]				
							Borrowing from		Financial assets		
	Financial surplus/deficit	Net unremitted profits[2]	Net identified trade and other credit[3,4]	Investment in UK company securities[5]	Investment abroad	Balancing item	Banks[6]	Other	Liquid	Other	Net borrowing requirement (NBR)
	1	*2*	*3*	*4*	*5*	*6*	*7*	*8*	*9*	*10*	*11*
	AAVG	-AICX	-AIDL	-AICC	-AIDC	-AAOB	-AANA	-AICT	-AICU	-AICV	-AICW
1984	6 768†	-2 601†	-609†	-3 901	-1 236†	-301†	7 300	-869†	-2 199†	-2 352†	1 880†
1985	6 007	-1 007	-1 062	-2 995	-3 882	-4 672	7 703	5 516	-4 886	-722	7 611
1986	5 296	-2 304	-1 184	-1 977	-5 777	-4 213	9 414	11 006	-11 195	934	10 159
1987	8 447	-3 740	-1 087	-3 179	-10 251	-12 472	13 166†	21 798	-9 850	-2 832	22 282
	AAVG	-AICX	-ABKP	-AICC	-AIDC	-AIDD	-AIDF	-AIDJ	-AIDG	-AICV	-AIDI
1984 Q4	1 479†	-1 499†	-776†	-1 217	-312†	251†	3 632	654†	-1 361†	-851†	2 074†
1985 Q1	1 405	-2	-58	-834	-1 770	-88	1 913	2 241	-1 963	-844	1 347
Q2	1 920	-424	-633	-1 024	-838	-2 670	1 743	1 051	-650	1 525	3 669
Q3	1 140	-346	361	-679	-543	785	2 096	986	-1 622	-2 178	-718
Q4	1 542	-235	-746	-458	-731	-2 699	1 951	1 238	-637	775	3 327
1986 Q1	1 822	-212	859	-320	461	-4 833	2 034	1 571	-1 456	74	2 223
Q2	568	-292	-1 010	-588	-362	2 418	766	3 698	-5 133	-65	-734
Q3	2 616	-413	-808	-441	-2 765	218	1 551	2 465	-4 847	2 424	1 593
Q4	290	-1 387	-211	-628	-3 111	-2 016	5 063	3 272	227	-1 499	7 063
1987 Q1	2 572	-1 029	562	-273	-1 315	-2 692	1 715	2 705	-1 202	-1 043	2 175
Q2	2 317	-1 230	-578	-1 294	-3 913	1 563	2 102	5 054	-2 821	-1 200	3 135
Q3	1 959	-1 268	-19	-506	-4 723	-6 867	4 473†	9 768	-2 690	-125	11 426
Q4	1 599	-213	-1 024	-1 104	-300	-4 476	4 570	4 271	-2 859	-464	5 518
1988 Q1	1 752	-1 068	878	-3 675	-1 532	-7 136	7 519	4 180	-971	53	10 781
Q2	435	-820	-571	-1 625†	-3 029	-4 653	7 141	3 904	-1 112	330	10 263
Q3	3 095	-720	-521	-2 608	-1 950	..	8 320	3 000	-4 160	..	..

1 Inflows(+), outflows(-); relationships between columns: 1+2+3+4+5+6+7+8+9+10 = zero; 7+8+9+10 = 11.

2 Retained in UK (+); retained abroad (-).

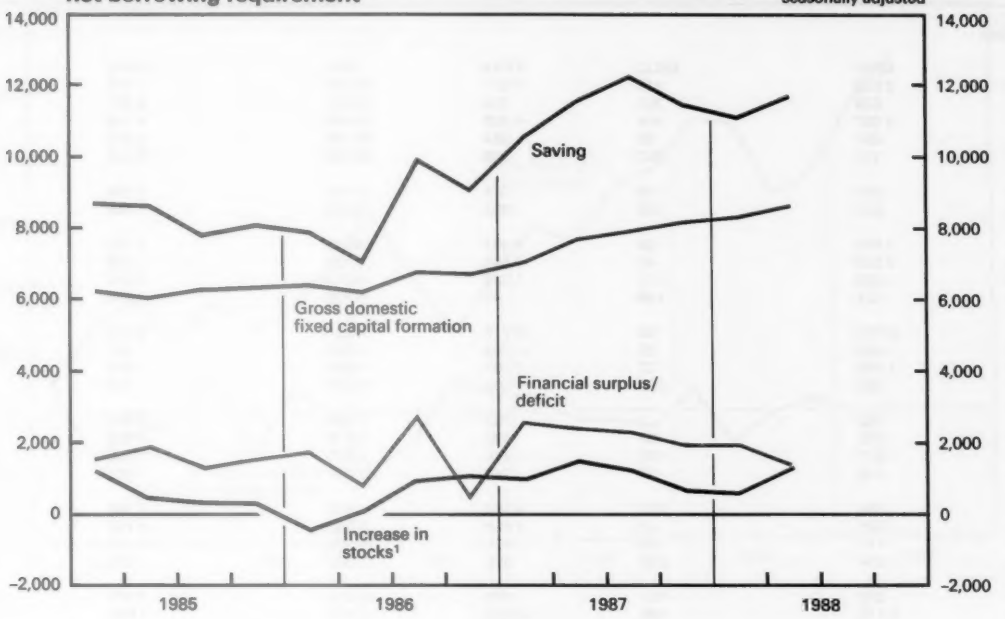
3 Includes accruals adjustment.

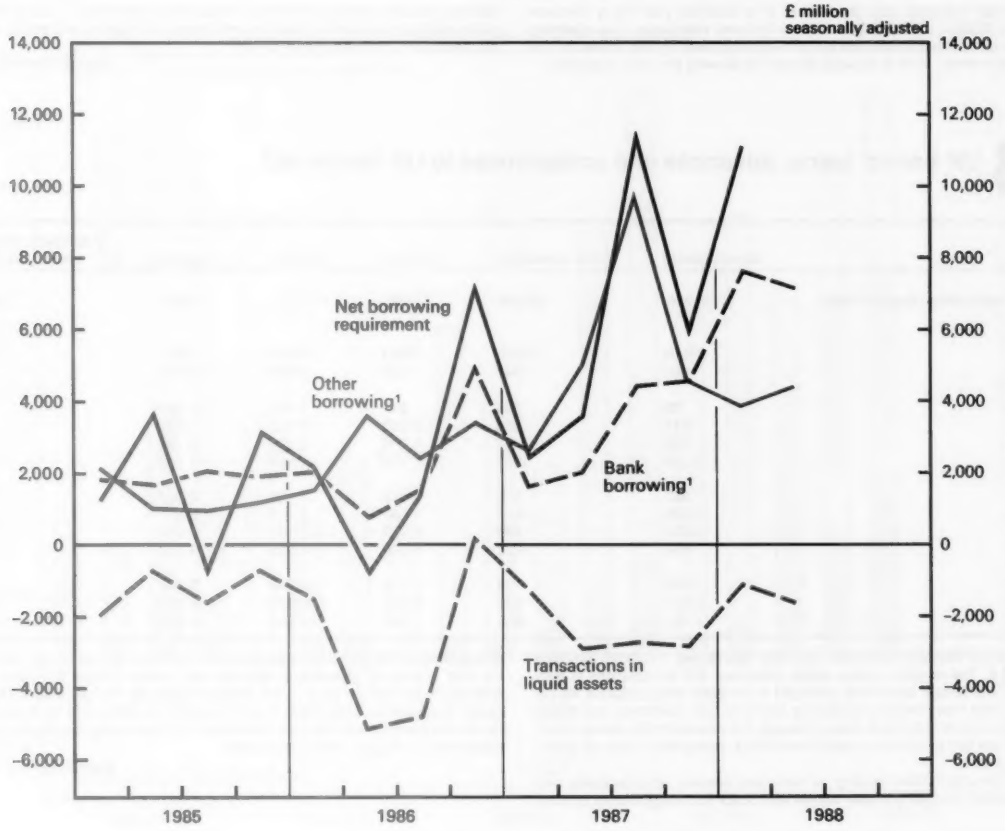
4 Seasonal adjustments include day-of-week adjustments. The quarterly figures therefore do not always sum to the annual totals.

5 Cash expenditure on subsidiaries and trade investments in the United Kingdom.

6 Includes Bank of England Issue Department transactions in commercial bills.

Industrial and commercial companies net borrowing requirement





37 UK banks' lending to UK residents[1]

£ million

	Lending to public sector			Lending to private sector		
	Sterling	Other currencies	Total	Sterling	Other currencies	Total
Transactions						
	AEBT	AECC	FPAA	AECI	AECO	FPAD
1983	-2 026	115	-1 911	12 903	1 418	14 321
1984	629	291	920	16 541	4 905	21 446
1985	-2 092	404	-1 688	20 968	4 740	25 708
1986	-954	30	-924	30 445	8 248	38 693
1987	124	-347	-223	38 365†	10 548	48 913†
1983 Q3	-840	-50	-914	4 115	1 196	5 311
Q4	-644	185	-394	3 533	-108	3 425
1984 Q1	2 084	-36	1 937	4 273	1 102	5 375
Q2	-2 363	43	-2 090	3 128	808	3 936
Q3	1 029	115	1 033	4 014	1 047	5 061
Q4	-121	169	40	5 126	1 948	7 074
1985 Q1	-2 784	89	-2 717	6 254	3 225	9 479
Q2	-1 360	35	-1 346	4 863	1 382	6 245
Q3	1 566	22	1 567	4 524	-806	3 718
Q4	486	258	808	5 327	939	6 266
1986 Q1	754	1	733	6 490	2 362	8 852
Q2	-345	-69	-435	6 415	1 575	7 990
Q3	-647	195	-474	6 859	3 688	10 547
Q4	-716	-97	-748	10 681	623	11 304
1987 Q1	809	220	1 009	6 640	7 142	13 782
Q2	-1 645	28	-1 636	8 762	4 733	13 495
Q3	-114	-80	-214	11 398	-1 151	10 247
Q4	1 074	-515	618	11 565†	-176	11 389†
1988 Q1	629	-761	-152	12 622	1 819	14 441
Q2	-2 175	-130	-2 324	15 349	1 634	16 983
Q3	-768†	1†	-787†	15 615	3 155†	18 770

1 Seasonally adjusted data are shown on a calendar year basis whereas data in Tables 1, 29 and 30 are on a financial year basis. The quarterly figures do not necessarily add up to the (unadjusted) figures shown for the year as a whole. This is because as well as allowing for purely seasonal factors, the adjustments attempt to remove other distortions (such as the effect of the particular days of the week on which a quarter begins and ends), which do not necessarily cancel out over a year.

Source: Bank of England

38 UK banks' loans, advances and acceptances to UK residents[1]

£ million

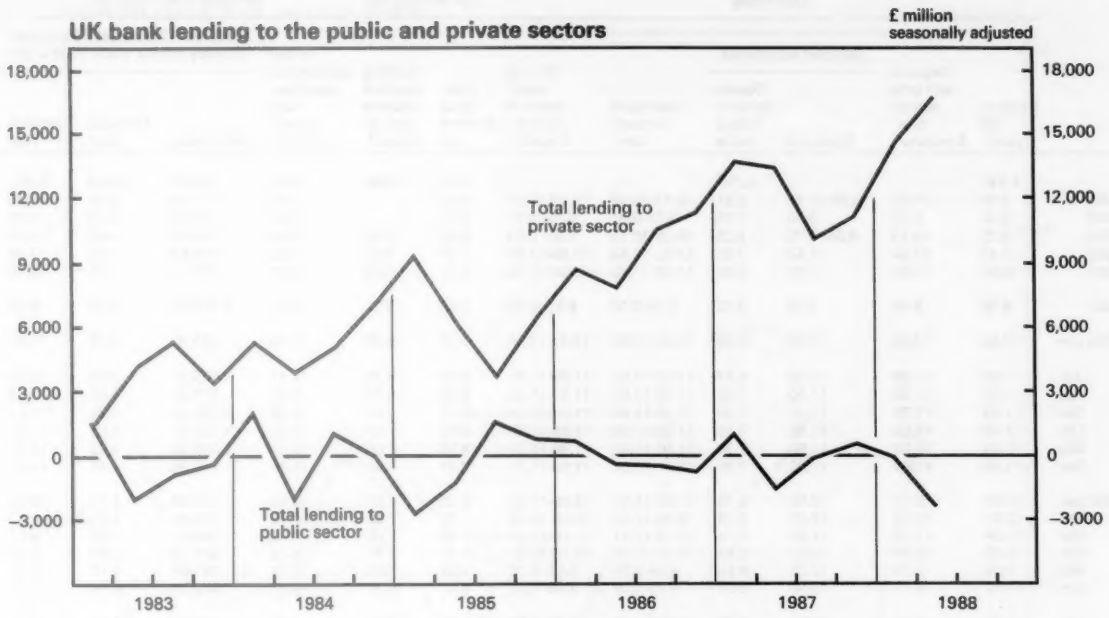
	Manufacturing	Other production	Financial	Services	Persons	Total loans, advances and acceptances
Amounts outstanding (August 1988):	38 620	20 049	75 555	78 703	75 985	288 913
Changes						
	FRAB	FRAC	FRAD	FRAE	FRAF	FRAA
1985 Nov	601	-347	-458	2 936	2 357	5 089
1986 Feb	36	585	941	2 191	1 260	5 013
May	518	-213	3 883	3 509	1 882	9 582
Aug	358	487	1 849	2 320	2 784	7 796
Nov	1 193	-570	2 715[2]	-6 554[2]	1 759	11 264
1987 Feb	965	972	6 512	2 135	2 017	12 599
May	-1 038	1 673	7 260	3 386	3 517	14 797
Aug	578	-436	2 999	2 091	4 532	9 764
Nov	858	-228	3 428	4 355	4 518	12 931
1988 Feb	1 493	723	-1 334	5 215	3 121	9 218
May	2 538	893	2 058	4 823	4 439	14 749
Aug	4 481	806	883	4 858	5 553	16 581

1 For a more detailed breakdown of these figures see *Financial Statistics* Table 6.6. The analysis covers loans, advances and acceptances in both sterling and foreign currencies (changes in the latter being adjusted for exchange rate movements) provided by banks to their customers and therefore does not include funds placed through the local authority money market or funds lent to monetary sector institutions. Acceptances are not granted to persons.

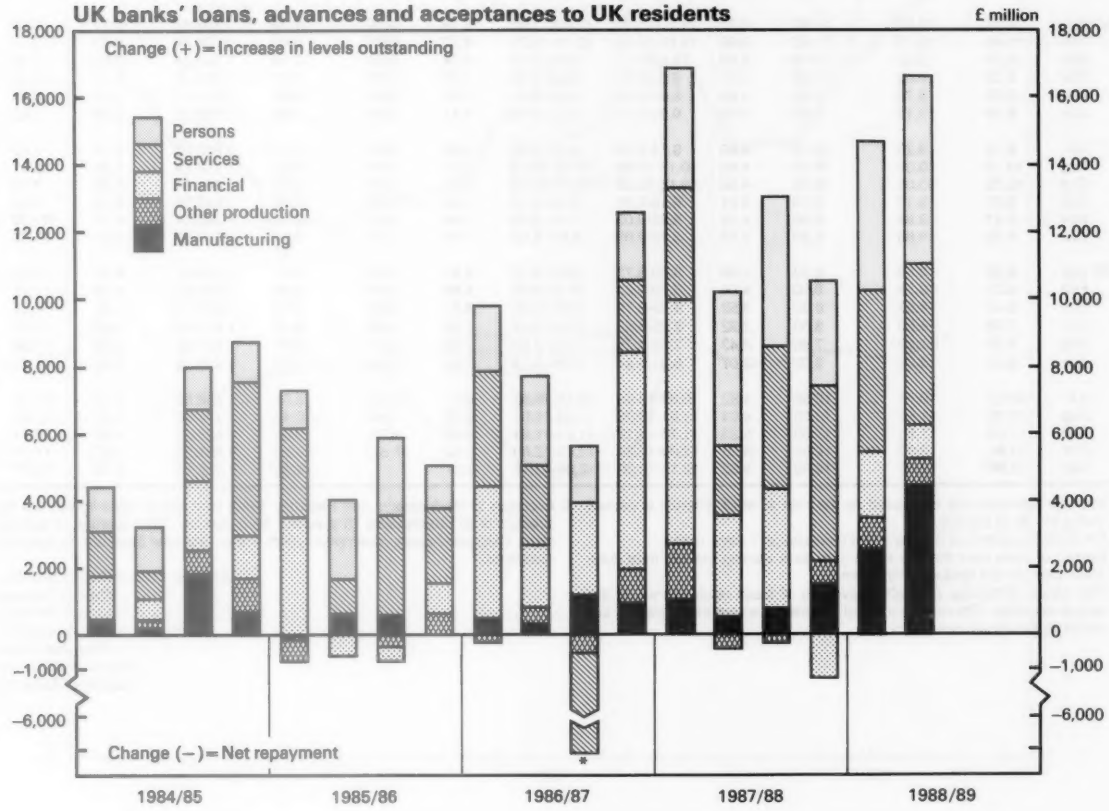
2 From November 1986 lending to securities dealers, stockbrokers and stockjobbers (including money placed with Stock Exchange money brokers and gilt-edged market makers) is included within the financial sector. Such lending was previously included in the services sector. Whilst the effect of this reclassification can be seen in the change shown for the services sector in the period August-November 1986, it is not possible to reflect it in the financial sector for the same period because the amount of outstanding lending to securities dealers etc. at August 1986 is not known.

Source: Bank of England

UK bank lending to the public and private sectors



UK banks' loans, advances and acceptances to UK residents



* See footnote [3] page 64 lower table

39 Interest rates, security prices and yields

Percentage rate

	Last Friday						Last working day		Average of working days			
			Selected retail banks							Financial Times index of industrial ordinary shares 1 July 1935 = 100		
	Treasury bill yield[1]	Deposits with local authorities - 3 months[2]	Base rate	Deposit account: 7 days' notice	Inter-bank 3 month rate[3]	Sterling certificates of deposit - 3 months	Euro-dollar 3 month rate	Building societies average rate on shares[4]	British government securities: long dated[5] - 20 years	Price index	Dividend yield	Earnings yield
	AJNC			AJNF			AJIB	AJNM	AJLX	AJMT	AJMU	AJMV
1982	9.96	10.63	10.00-10.25	6.81†	10.44-10.63	10.19-10.31	9.25	..	12.88	574.72	5.29	10.82
1983	9.04	9.31	9.00	5.50	9.34-9.41	9.25- 9.31	9.87	..	10.80	692.62	4.70	9.58
1984	9.33	10.13	9.50- 9.75	6.25	10.00-10.13	9.81- 9.94	8.62	7.00	10.69	854.87	4.66	10.76
1985	11.49	11.94	11.50	7.86	11.81-11.94	11.69-11.81	7.97	7.58	10.62	1 004.64	4.62	11.48
1986	10.94	11.31	11.00	6.92	11.00-11.13	11.00-11.13	6.31	5.94	9.87	1 287.11	4.25	10.16
1987	8.38	8.88	8.50	3.58	8.75-9.00	8.81- 8.88	7.25	5.24	9.47	1 600.01	3.73	8.98
1985 Jun	12.56	12.56	12.50	9.35†	12.56-12.69	12.44-12.56	7.75	8.25	10.70	980.38	4.72	11.83
Jul	11.63	11.88	12.00	8.54	11.56-11.94	11.69-11.81	8.19	8.25	10.44	935.24	4.96	12.38
Aug	11.31	11.50	11.50	7.86	11.50-11.69	11.31-11.44	8.06	8.25	10.37	973.60	4.82	11.88
Sep	11.32	11.38	11.50	7.86	11.50-11.56	11.31-11.44	8.12	7.01	10.39	1 002.83	4.73	11.61
Oct	11.45	11.50	11.50	7.86	11.56-11.69	11.38-11.50	8.00	7.00	10.22	1 034.23	4.64	11.35
Nov	11.33	11.50	11.50	7.86	11.56-11.63	11.38-11.50	8.19	7.00	10.37	1 099.30	4.40	10.87
Dec	11.49	11.94	11.50	7.86	11.81-11.94	11.69-11.81	7.97	7.00	10.45	1 113.88	4.45	11.04
1986 Jan	12.47	12.75	12.50	8.78	11.81-11.94	12.69-12.81	8.00	7.00	10.80	1 127.58	4.43	10.89
Feb	12.21	12.25	12.50	8.78	12.25-12.38	12.13-12.38	7.75	7.00	10.40	1 220.80	4.27	10.32
Mar	11.04	11.25	11.50	7.74	11.13-11.31	11.19-11.31	7.34	7.00	9.39	1 348.97	4.00	9.55
Apr	10.09	10.38	10.50	6.54	10.25-10.38	10.19-10.31	6.81	6.01	8.76	1 391.12	3.87	9.49
May	9.56	9.75	10.00	6.54	9.69-9.94	9.63- 9.75	7.09	6.00	9.00	1 331.60	4.10	10.20
Jun	9.52	9.75	10.00	6.54	9.75-9.88	9.66- 9.72	6.81	5.25	9.23	1 332.13	4.14	10.03
Jul	9.76	9.88	10.00	6.08	9.88-10.00	9.75- 9.88	6.44	5.25	9.37	1 309.62	4.21	10.14
Aug	9.56	9.81	10.00	6.08	9.81-9.94	9.63- 9.75	5.62	5.25	9.41	1 262.13	4.37	10.56
Sep	9.93	10.38	10.00	6.08	10.50-10.69	10.44-10.56	6.06	5.25	9.97	1 286.23	4.31	9.91
Oct	10.85	10.94	11.00	6.92	11.60-11.25	11.00-11.13	5.87	5.25	10.62	1 262.33	4.42	10.16
Nov	10.96	11.38	11.00	6.92	11.38-11.44	11.19-11.25	6.06	5.99	10.80	1 289.25	4.41	10.21
Dec	10.94	11.31	11.00	6.92	11.00-11.13	11.00-11.13	6.31	5.99	10.69	1 283.58	4.45	10.50
1987 Jan	10.85	11.00	11.00	6.92	11.00-11.13	10.88-11.00	6.19	5.99	10.09	1 392.63	4.12	9.68
Feb	10.46	10.75	11.00	6.92	10.69-10.81	10.69-10.75	6.37	5.99	9.83	1 529.60	3.72	8.72
Mar	9.54	9.87	10.00	5.60	9.69-9.81	9.63- 9.66	6.56	5.99	9.16	1 596.26	3.67	8.48
Apr	9.39	9.63	10.00	5.54	9.63-9.69	9.63- 9.69	7.06	5.99	9.12	1 554.78	3.77	8.58
May	8.68	8.75	9.00	4.69	8.81-8.94	8.69- 8.81	7.25	5.03	8.82	1 674.07	3.44	8.23
Jun	8.96	9.13	9.00	4.69	9.06-9.13	8.97- 9.03	7.12	5.00	8.90	1 759.78	3.25	7.83
Jul	9.14	9.25	10.00	4.69	9.19-9.44	9.03- 9.06	6.94	4.99	9.23	1 855.23	3.10	7.52
Aug	10.12	10.38	10.00	4.95	10.13-10.50	10.13-10.19	7.12	4.99	9.92	1 757.59	3.28	8.11
Sep	10.02	10.06	10.00	4.95	10.13-10.25	10.00-10.13	8.31	4.99	9.98	1 801.84	3.26	7.98
Oct	9.07	9.19	9.50	4.81	9.19-9.31	9.06- 9.19	7.62	4.99	9.88	1 645.30	3.75	9.22
Nov	8.67	8.88	9.00	4.12	8.88-9.03	8.78- 8.84	7.88	4.93	9.20	1 296.04	4.78	11.83
Dec	8.38	8.88	8.50	3.58	8.75-9.00	8.81- 8.88	7.25	4.02	9.57	1 337.02	4.67	11.58
1988 Jan	8.38	8.69	8.50	3.58	8.69-8.75	8.66- 8.72	6.81	4.00	9.57	1 419.37	4.39	11.02
Feb	9.01	9.25	9.00	4.04	9.19-9.63	9.13- 9.25	6.88	4.00	9.38	1 397.56	4.48	11.16
Mar	8.48	8.63	8.50	3.53	8.56-8.75	8.59- 8.66	6.81	4.00	9.12	1 446.73	4.48	11.37
Apr	7.98	8.50	8.00	2.92	8.25-8.50	8.38- 8.44	7.25	4.00	9.12	1 421.19	4.57	11.89
May	7.28	7.63	7.50	2.43	7.56-7.75	7.50- 7.56	7.68	3.51	9.27	1 427.45	4.59	11.86
Jun	9.24	8.88	9.00	3.07	8.94-9.44	9.06- 9.13	7.88	3.49	9.32	1 470.13	4.51	11.56
Jul	10.53	10.75	10.50	4.52	10.63-10.94	10.56-10.63	8.31	3.49	9.51	1 488.92	4.52	11.47
Aug	11.82	11.88	12.00	4.93	11.31-12.25	11.88-11.94	8.50	4.69	9.47	1 474.30	4.61	11.67
Sep	11.72	11.88	12.00	5.23	11.75-12.19	11.81-11.88	8.63	4.70	9.60	1 429.22	4.80	12.11
Oct	11.84	12.00	12.00	5.23	12.00-12.25	12.00-12.60	8.56	5.57†	9.23	1 493.35	4.65	11.71
Nov	12.98†	12.25	13.00	5.23	12.13-13.00	12.09-12.16	9.31†	..	9.30†	1 478.12†	4.78†	12.00†

1 Average discount rate expressed as the rate at which interest is earned during the life of the bills.

2 For a minimum term of 3 months and thereafter at 7 days' notice.

3 Spread of rates over the day in the inter-bank sterling market; from June 1982 rates are the spread at 10.30 am.

4 The series comprises a weighted average of basic rates offered by the largest societies. The rates are net of income tax where this is paid by societies at the agreed composite rate.

5 Averages of Wednesdays until February 1980; from March 1980 figures are the average of all observations (3 a week); from January 1982 average of working days. Calculated gross redemption yields - see *Financial Statistics Explanatory Handbook*.

Bank of England;
HM Treasury;
Building Societies Commission;
Financial Times;
Institute of Actuaries;
Faculty of Actuaries

Interest rates, and security yields
Percentage
16
14
12
10
8
6
4
2
0
Financial Times index of industrial ordinary shares earnings yield
Inter-bank 3 month rate
Long dated government securities
Euro-dollar 3 month rate
Financial Times index of industrial ordinary shares dividend yield
1986
1987
1988

Cyclical indicators for the UK economy

Recent movements of the indices

First estimates of the longer leading index to November and of the coincident index to October are now available. The shorter leading and coincident indices, available to October, incorporate newly available information.

The provisional longer leading index for November was virtually unchanged as compared with October. The decline in the index since August 1987 may now be moderating.

The shorter leading index is showing a decline from the July value to the latest, October, value, influenced almost entirely by the consumer credit series.

The decline since March in the coincident index is entirely due to the newly available GDP(E) estimate for the third quarter. The CSO believes that the decline in GDP(E) at constant prices in the latest quarter reflects serious under-recording and therefore the decline in the index should be regarded as highly provisional.

The lagging index is showing a decline since May. This is, however, largely a reflection of the low manufacturing investment figure recorded for the third quarter.

The interpretation of the indices since 1981 is that they could show a cyclical peak in economic activity in early 1985. There may have been a mild trough in 1986, although the decline in the indices before their renewed growth is less marked than previous cyclical movements, especially those seen in the 1970s. The declines in the longer and shorter leading indices and the provisional decline in the coincident index are broadly consistent with a slowdown in the rate of economic growth. Recent values of the indices are particularly subject to revision as more information becomes available so any interpretation remains provisional.

Definitions

This section shows a reference chronology of peaks and troughs representing growth cycles in the UK economy, together with groups of indicator series which have in the past had a consistent timing relationship with the reference cycle. Growth cycles are defined as cyclical movements in the deviations from a long-trend; thus, the contraction phase of a growth cycle occurs when the rate of growth is below this long-term value.

The historical reference chronology has been determined by examination of a range of series covering aggregate economic activity. Known special economic and climatic factors were discounted in judging the location of reference turning points. The indicators forming each group have been chosen because they have had a consistent timing relationship to the reference chronology, and because there is a economic rationale to account for this relationship.

A composite index for each group of indicators is formed by subtracting from each series the value of its long-term trend, then taking a simple average of the trend-eliminated series after smoothing, scaling to give cycles of singular amplitude, and inversion where appropriate.

Information included in Table A below is based on monthly and quarterly data available to 20 December.

Precise details on data availability for each of the component series used in the compilation of the indicators is shown in Table B.

Table A - Recent movements of the indicators

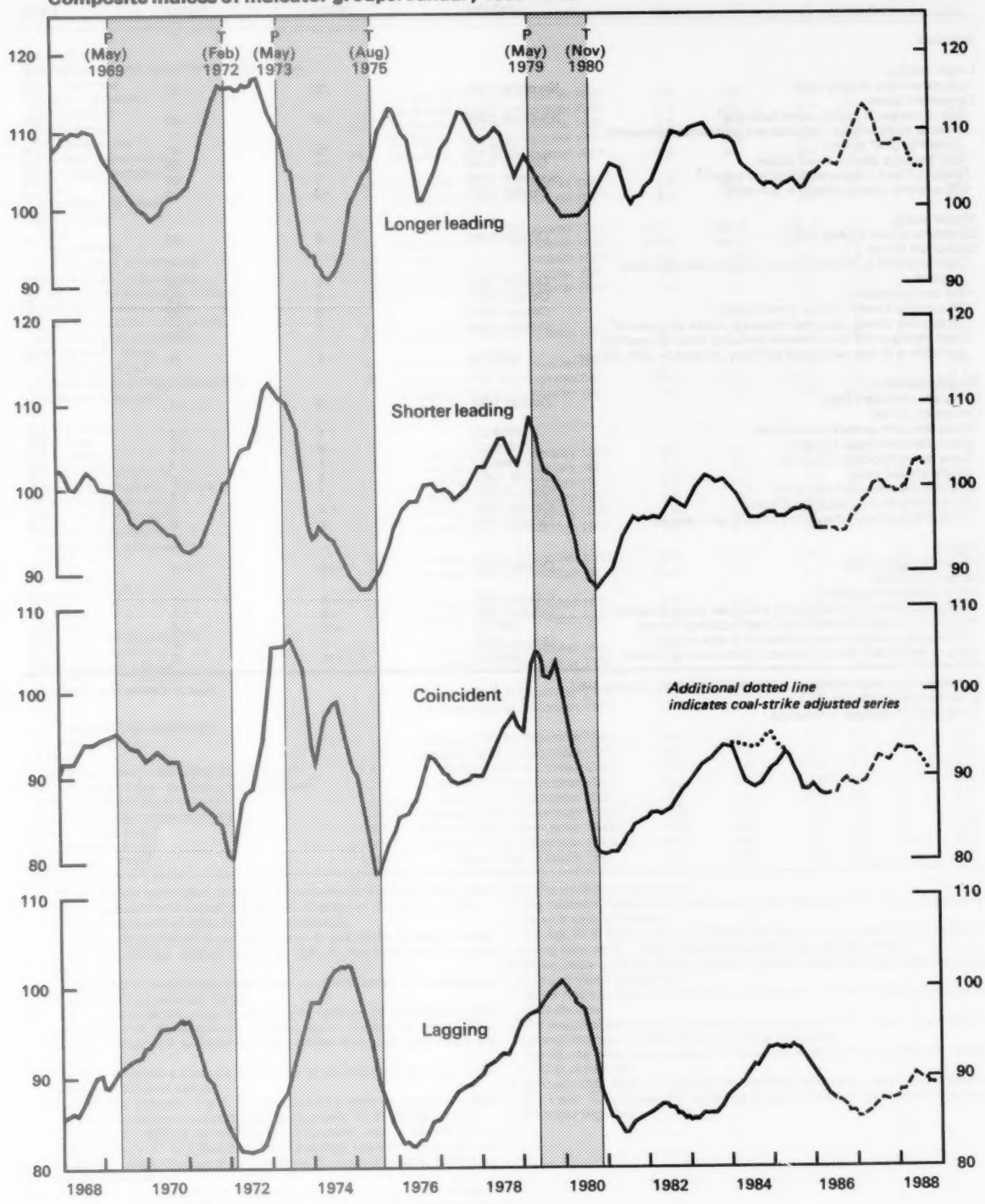
	Most recent values January 1980=100													Lead (-) or lag (+) in months relative to reference cycle dates		
	1987		1988													
	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Mean	Earliest	Latest
Longer leading	108.6	107.9	107.8	107.9	108.3	108.6	108.5	108.0	107.2	105.9	105.1	105.1	105.0	−12	−21	−5
	5	5	5	5	5	5	5	5	4	4	4	4	2			
Shorter leading ..	100.1	99.8	99.8	99.5	99.5	99.9	100.1	101.5	103.3	103.1	103.2	102.6		−5	−12	0
	5	5	5	5	5	5	5	5	4	4	4	4				
Coincident	92.7	93.3	93.7	94.2	94.1	94.1	94.0	93.7	93.1	92.3	92.0	91.4		0	−7	+5
	7	7	7	7	7	7	7	7	7	7	7	4				
Lagging	87.7	87.6	88.5	88.4	88.9	89.5	90.4	90.0	89.7	89.5	89.3	89.3		+10	+1	+17
	5	5	5	5	5	5	5	5	5	5	5	3				

1 A full explanation of the methodology used is given in *Economic Trends*, No. 257, March 1975 and No. 271, May 1976. Each month a chart of the composite indicators is published with, in the February May, August and November issues, a further ten pages showing individual indicator series.

2 In the table, the upper row presents the values of the composite indices for recent months, the lower row the number of series used to form each index. Values of the composite indices are published solely in order to show more precisely the shape of the graphs in recent months. The values are subject to revisions each month, both because of revisions to the series from which they are formed and because of the nature of the trend-elimination process used in the calculation; no significance, therefore, should be attached to the current levels of the indicators, although the month-to-month changes may be used as a guide to the location of turning points. On the charts the parts of the curves which are liable to revision in the trend-elimination process are shown in pecked lines; where the composite indices are based on an incomplete set of indicators, the curves are shown as dotted lines. Additional tables giving the values of all series used are available from the CSO: 01-270 5966.

Cyclical indicators

Composite indices of indicator groups. January 1980 = 100



---- Subject to revision due to trend re-estimation

..... Based on incomplete data

Table B - The indicators: their timing characteristics and data availability

	Latest data included	Timing relative to reference cycle dates[1] (-) leads (+) lags months		
		Average (mean)	Earliest	Latest
Indicators				
Longer leading				
Composite longer leading index	November 1988	-12	-21	- 5
Component series:				
Rate of interest, 3 months prime bank bills[2]	November 1988	-17	-28	-11
Financial surplus/deficit, industrial and commercial companies, divided by GDP deflator	1988 Q2	-15	-21	- 9
Total dwellings started, Great Britain	October 1988	-10	-25	+ 6
Financial Times - Actuaries 500 share index[2,3]	November 1988	- 9	-20	- 4
CBI quarterly survey: change in optimism[2]	October 1988	-10	-19	- 4
Shorter leading				
Composite shorter leading index	October 1988	- 5	-12	0
Component series:				
Credit extended by finance houses, retailers and other credit grantors	October 1988	- 6	-15	+ 3
New car registrations	October 1988	- 7	-26	0
CBI quarterly survey: change in new orders[2]	October 1988	- 8	-28	+ 2
CBI quarterly survey: expected change in stocks of materials[2]	October 1988	- 5	-15	- 2
Gross trading profits of companies,excluding stock appreciation and mineral oil and natural gas extraction, divided by GDP deflator	1988 Q2	- 6	-18	0
Roughly coincident				
Composite coincident index	October 1988	0	- 7	+ 5
Component series:				
Gross domestic product (expenditure)	1988 Q3	+ 1	- 9	+10
Gross domestic product (output)	1988 Q3	- 2	- 7	+ 1
Gross domestic product (income)	1988 Q3	+ 1	- 3	+ 5
Volume of retail sales	October 1988	- 3	-15	+ 6
Output of the production industries	October 1988	- 1	- 4	+ 2
CBI quarterly survey: capacity utilisation	October 1988	+ 2	- 3	+ 7
CBI quarterly survey: change in stocks of raw materials	October 1988	-1	- 6	+ 8
Lagging				
Composite lagging index	October 1988	+10	+ 1	+17
Component series:				
Adult unemployment index[3]	October 1988	+ 6	- 1	+14
Total employment in manufacturing industries United Kingdom	October 1988	+ 8	- 1	+15
Investment in plant and machinery, manufacturing industry	1988 Q3	+11	+ 6	+18
Engineering industries, volume index for orders on hand	October 1988	- 7	- 4	+15
Level of stocks and work in progress, manufacturing industry	1988 Q3	+11	0	+20

1 Assessed on performance up to last identified trough, January 1981.
2 Seasonally adjusted by CSO.
3 Adjusted for changes in coverage.

Measures of variability of selected economic series[1]

	Table	Period covered	Average percentage changes $\overline{CI}$	$\overline{I}$	$\overline{C}$	$\overline{I}/\overline{C}$	MCD or QCD	$\overline{I}/\overline{C}$ for MCD (or QCD) span
Quarterly series								
National income and components at 1980 prices								
GDP, factor cost								
Expenditure-based	2	1st quarter 1970 to 2nd quarter 1987	*1.4*	*0.9*	*0.9*	1.1	2	0.4
Income-based	2	1st quarter 1970 to 2nd quarter 1987	*1.2*	*0.8*	*0.9*	0.9	1	0.9
Output-based	2,17	1st quarter 1970 to 2nd quarter 1987	*1.0*	*0.5*	*0.8*	0.7	1	0.7
Average estimate	2	1st quarter 1970 to 2nd quarter 1987	*1.0*	*0.6*	*0.8*	0.8	1	0.8
Consumers' expenditure	3,4,5	1st quarter 1970 to 2nd quarter 1987	*1.2*	*0.7*	*0.9*	0.8	1	0.8
Fixed capital formation								
Total	3,9	1st quarter 1970 to 2nd quarter 1987	*2.2*	*1.6*	*1.4*	1.2	2	0.5
Manufacturing industry	10	1st quarter 1970 to 2nd quarter 1987	*3.4*	*1.7*	*2.5*	0.7	1	0.7
Stockbuilding[2]								
Total	3,13	1st quarter 1970 to 2nd quarter 1987	*421.7*	*293.8*	*236.9*	1.2	2	0.5
Manufacturing	13	1st quarter 1970 to 2nd quarter 1987	*273.8*	*163.6*	*163.2*	1.0	2	0.5
Exports: goods and services	3	1st quarter 1970 to 2nd quarter 1987	*2.9*	*2.2*	*1.7*	1.3	2	0.5
Imports: goods and services	3	1st quarter 1970 to 2nd quarter 1987	*3.3*	*2.4*	*2.1*	1.1	2	0.4
Real personal disposable income	4	1st quarter 1970 to 2nd quarter 1987	*1.6*	*1.1*	*1.1*	1.1	2	0.3
Other national income series								
Gross trading profits of industrial and commercial companies	34	1st quarter 1970 to 2nd quarter 1987	*6.1*	*2.9*	*4.6*	0.6	1	0.6
Other quarterly series								
Construction output[3]	18	1st quarter 1970 to 2nd quarter 1987	*2.1*	*1.4*	*1.3*	1.1	2	0.4
Public sector borrowing requirement[4]	32	1st quarter 1970 to 2nd quarter1987	*795.6*	*571.0*	*379.7*	1.5	2	0.8
Personal saving ratio[5]	4	1st quarter 1970 to 2nd quarter 1987	*1.4*	*1.3*	*0.6*	2.0	2	0.6
Monthly series								
Retail sales								
Food retailers	6	January 1971 to February 1987	*0.9*	*0.8*	*0.3*	3.0	4	0.8
Mixed retail businesses	6	January 1971 to February 1987	*2.0*	*1.9*	*0.5*	3.7	4	1.0
Clothing and footwear retailers	6	January 1971 to February 1987	*2.5*	*2.4*	*0.6*	4.1	4	1.0
Household goods retailers	6	January 1971 to February 1987	*2.6*	*2.4*	*0.8*	3.1	4	0.9
Other non-food retailers	6	January 1971 to February 1987	*1.4*	*1.3*	*0.4*	3.4	4	0.9
Cars: new registrations	6	January 1975 to December 1987	*8.2*	*8.2*	*0.8*	10.1	6	
Housing: public authorities[6]								
Starts	12	January 1958 to December 1987	*12.6*	*12.4*	*1.9*	6.5	6	1.2
Completions	12	January 1958 to December 1987	*8.8*	*8.7*	*1.3*	6.6	6	1.1
Housing: private[6]								
Starts	12	January 1958 to December 1987	*9.8*	*9.6*	*1.8*	5.3	6	1.0
Completions	12	January 1958 to December 1987	*6.2*	*6.2*	*1.0*	6.5	6	1.1
Index of industrial production:								
Production industries	1,16,17	January 1973 to October 1986	*1.2*	*1.0*	*0.5*	2.3	3	1.0
Manufacturing industries	16,17	January 1973 to October 1986	*1.3*	*1.2*	*0.4*	2.7	4	0.8
Passenger car production:								
Home market	19	January 1976 to December 1986	*12.2*	*12.0*	*1.8*	6.8	6	1.4
Export	19	January 1976 to December 1986	*15.2*	*14.6*	*2.6*	5.7	6	1.1
Commercial vehicle production:								
Home market	19	January 1976 to December 1986	*10.9*	*9.7*	*3.1*	3.1	4	0.9
Export	19	January 1976 to December 1986	*10.1*	*9.3*	*2.7*	3.4	5	0.8
Unemployed males - excluding school leavers[7]	1,21	January 1971 to October1986	*15.5*	*4.5*	*14.4*	0.3	1	0.3
Unemployed females - excluding school leavers[7]	1,21	January 1971 to October 1986	*6.0*	*1.7*	*5.6*	0.3	1	0.3
Vacancies unfilled at job centres[7]	1,21	April 1978 to September 1986	*4.2*	*1.8*	*3.5*	0.5	1	0.5
Average earnings: whole economy	23	January 1976 to December 1982	*1.0*	*0.3*	*1.0*	0.3	1	0.3
Exports: value, f.o.b.[8]	27	January 1970 to September 1985	*4.6*	*4.3*	*1.5*	2.9	3	0.9
Imports: value, f.o.b.[8]	27	January 1970 to September 1985	*4.8*	*4.4*	*1.8*	2.5	3	0.8
Money stock - £M3[9]	1,29	January 1980 to March 1985	*1.2*	*0.8*	*1.1*	0.7	1	0.7

1 For a complete description of these measures see article 'Measuring variability in economic time series' in *Economic Trends*, No 226, August 1972.
The following are brief definitions of the measures.
$\overline{CI}$ is the average month to month (quarter to quarter for quarterly series) percentage change without regard to sign, in the seasonally adjusted series.
$\overline{C}$ is the same for the trend component, a smooth flexible moving average of the seasonally adjusted series.
$\overline{I}$ is the same for the irregular component, obtained by dividing the trend component into the seasonally adjusted series, except for those series which are seasonally adjusted using an additive model, see footnotes 2,4,6 and 8.
$\overline{I}/\overline{C}$ is therefore a measure of the size of the relative irregularity of the seasonally adjusted series.
The average changes $\overline{I}$ and $\overline{C}$ can also be computed successively over spans of increasing numbers of months (quarters). MCD (QCD), months (quarters) for cyclical dominance, is the shortest span of months (quarters) for which $\overline{I}/\overline{C}$ is less than 1 and therefore represents the minimum period over which changes in the trend are, on average, greater than the irregular movement.

2 The figures in the table were obtained from an additive analysis of stock changes so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of £ million. At present, seasonal adjustment of the published stocks series is performed multiplicatively on the level of stocks.

3 Series relates to Great Britain.

4 The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in units of £ million.

5 The figures in the tables were obtained from an additive analysis of the personal saving ratio so $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are differences in percentage points.

6 Series relate to Great Britain, though variability measures calculated from England and Wales component.

7 Series relate to Great Britain and may be found in Tables 2.2 and 3.2 of *Employment Gazette*.
The seasonal adjustment is additive, so the figures for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ are not percentage changes but differences in units of thousands.

8 The figures have been updated as described in an article in *Economic Trends*, No 320, June 1980.

9 Although £M3 **flows** are seasonally adjusted **additively**, the figures above for $\overline{CI}$, $\overline{I}$ and $\overline{C}$ for **levels** are presented as percentages of the level of the trend in the preceding month.

United Kingdom Balance of Payments: preliminary figures for the third quarter of 1988

Preliminary estimates indicate that the UK current account (seasonally adjusted) was in deficit by £3.6 billion in the third quarter of 1988 and in deficit by £9.2 billion, also seasonally adjusted, in the first nine months of the year (Table A1).

There was a deficit on visible trade of £5.6 billion in the third quarter compared with a deficit of £4.5 billion in the second, and a surplus on invisible transactions of £2.1 billion following a surplus of £1.8 billion in the preceding quarter (Table A1).

The deficit on visible trade in the third quarter was made up of a surplus on trade in oil of £0.4 billion, and a deficit on non-oil trade of £6.0 billion. Between the second and third quarters of 1988 there was a fall of £0.3 billion in the surplus on trade in oil mainly due to the Piper Alpha explosion, and an increase of £0.8 billion in the deficit on non-oil trade (Table A2).

The preliminary estimates for invisibles in the third quarter put the net credit on services at £1.0 billion (Table A5). Net investment earnings (interest, profits and dividends) are put at £1.3 billion (Table A6) and net transfer payments overseas are put at £0.2 billion (Table A7). It must be stressed that figures for invisible transactions, particularly for the most recent quarters, are liable to substantial revisions as later information becomes available.

The estimated surplus on services in the third quarter (£1.0 billion) was slightly below the second quarter figure (£1.1 billion). The largest change was an increase in the travel account deficit (Table A5).

The estimated surplus on interest, profits and dividends in the third quarter was £1.3 billion compared with £1.6 billion in the second quarter mainly reflecting an increase of £0.3 billion in earnings due overseas on direct investment in the United Kingdom (Table A6).

The deficit on transfers in the third quarter was at an exceptionally low level (£0.2 billion, compared with £0.9 billion in the second quarter). This reflects a temporary shift in the timing of the UK government's transactions with the European Community, with relatively low gross payments and relatively high VAT abatements, following the implementation of the 1988 community budget in July. These favourable timing factors will begin to unwind in the fourth quarter (Table A7).

Although figures for transactions in external assets and liabilities are not yet complete, the available data (which exclude most of the information on UK non-bank private sector transactions with banks overseas) show a net outflow of £0.4 billion in the third quarter, compared with an outflow of £1.0 billion in the second quarter (Table A8).

UK direct investment overseas in the third quarter at £3.4 billion, was below that in the second quarter (£4.0 billion), direct investment in the UK by overseas residents increased to £1.2 billion from £0.9 billion in the preceding quarter (Table A9). Details of cross-border acquisitions and mergers in the third quarter were published in *British Business* on 9 December.

There was net overseas portfolio investment by UK residents in the third quarter of £0.9 billion, compared with investment of £3.9 billion in the preceding quarter. UK banks reduced their portfolio investments by £0.3 billion in the third quarter, in contrast to net investment of £1.2 billion in the second. Portfolio investment by other financial institutions fell substantially from £2.7 billion to £0.3 billion between the second and third quarters but that of other UK residents increased from a negligible amount to £0.8 billion (Table A10).

Overseas portfolio investment in the UK rose from £0.7 billion in the second quarter to £2.0 billion in the third. There was net disinvestment of £0.2 billion in British Government stocks after investment of £0.4 billion in the second. Investment in ordinary shares in the third quarter was sharply higher mainly as a result of the first call on last year's BP issue (Table A10).

Overseas lending and borrowing by UK banks resulted in a net inflow of £0.9 billion in the third quarter, compared with inflows of £3.0 billion and £5.2 billion in the first and second quarters respectively. Foreign currency lending by UK banks in the third quarter (£15 billion) was much higher than in the second quarter (£4 billion). Foreign currency borrowing also increased substantially (from £5 billion to £15 billion). Sterling lending and borrowing overseas were both well below the markedly high levels in the second quarter (Table A11).

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A1 Balance of payments summary

£ million

	Seasonally adjusted						Not seasonally adjusted						
		Invisibles (balance)							UK external assets and liabilities			Allocation of SDRs and gold subscription to IMF	
	Visible trade (balance)	Services	I.P.D.	Transfers	Total	Current balance	Current balance	Capital transfers	Transactions in assets[1]	Transactions in liabilities[1]	Net transactions		Balancing item
	AIMA	AIMC	AIMD	AIME	AIMB	AIMF	AIMG	AAAZ	HEPZ	HEQW	HEQU	AIMI	AASA
1977	-2 324	3 037	265	-1 128	2 174	-150	-150	-	-13 844	9 952	-3 892	-	4 042
1978	-1 593	3 542	806	-1 791	2 557	964	964	-	-4 377	1 506	-2 871	-	1 907
1979	-3 398	3 907	1 205	-2 210	2 902	-496	-496	-	-40 189	39 446	-743	195	1 044
1980	1 353	3 949	-196	-1 984	1 769	3 122	3 122	-	-43 439	39 567	-3 872	180	570
1981	3 350	3 923	1 210	-1 547	3 586	6 936	6 936	-	-50 769†	43 398	-7 371†	158	277†
1982	2 218	2 762	1 446	-1 741	2 467	4 685	4 685	-	-31 405	29 053	-2 352	-	-2 333
1983	-1 075	3 721	2 847	-1 661	4 907	3 832	3 832	-	-30 171	25 810	-4 361	-	529
1984	-4 580	3 941	4 433	-1 772	6 602	2 022	2 022	-	-32 038	24 289	-7 749	-	5 727
1985	-2 346	5 962	2 800	-3 079	5 683	3 337	3 337	-	-53 137	44 208	-8 929	-	5 592
1986	-8 716	5 631†	5 084†	-2 174†	8 541†	-175†	-175†	-	-94 801	80 404†	-14 397	-	14 572
1987	-10 162	5 522	5 463	-3 510	7 475	-2 687	-2 687	-	-76 186	73 869	-2 317	-	5 004
1980 Q1	-440	953	-62	-483	408	-32	-351	-	-14 398†	13 026	-1 372†	180	1 543†
Q2	-183	924	-186	-597	141	-42	-303	-	-8 159	7 941	-218	-	521
Q3	865	1 002	-45	-572	385	1 250	1 422	-	-4 698	4 350	-348	-	-1 074
Q4	1 111	1 070	97	-332	835	1 946	2 354	-	-16 184	14 250	-1 934	-	-420
1981 Q1	1 703	1 044	251	-52	1 243	2 946	2 679	-	-15 114	10 815	-4 299	158	1 462
Q2	1 302	971	373	-588	756	2 058	1 724	-	-8 534	6 055	-2 479	-	755
Q3	33	948	281	-671	558	591	681	-	-13 849	13 141	-708	-	27
Q4	312	960	305	-236	1 029	1 341	1 852	-	-13 272	13 387	115	-	-1 967
1982 Q1	336	881	88	125	1 094	1 430	1 152	-	-11 599	11 375	-224	-	-928
Q2	221	694	423	-743	374	595	135	-	-38	1 247	1 209	-	-1 344
Q3	626	530	402	-647	285	911	963	-	-18 416	16 483	-1 933	-	970
Q4	1 035	657	533	-476	714	1 749	2 435	-	-1 352	-52	-1 404	-	-1 031
1983 Q1	8	996	815	6	1 817	1 825	1 477	-	-10 721	8 468	-2 253	-	776
Q2	-511	929	361	-713	577	66	-382	-	-193	508	315	-	67
Q3	-210	839	1 003	-397	1 445	1 235	1 398	-	-11 469	11 885	416	-	-1 814
Q4	-362	957	668	-557	1 068	706	1 339	-	-7 788	4 949	-2 839	-	1 500
1984 Q1	-118	1 017	896	-356	1 557	1 439	885	-	-14 097	13 048	-1 049	-	184
Q2	-1 304	877	872	-676	1 073	-231	-678	-	-8 905	6 949	-1 956	-	2 634
Q3	-1 613	998	965	-619	1 344	-269	188	-	-599	-563	-1 162	-	974
Q4	-1 545	1 049	1 700	-121	2 628	1 083	1 647	-	-8 437	4 855	-3 582	-	1 935
1985 Q1	-1 394	1 288	918	-862	1 344	-50	-668	-	-17 241	13 270	-3 971	-	4 639
Q2	-149	1 590	678	-674	1 594	1 445	978	-	-6 827	5 563	-1 264	-	286
Q3	-590	1 639	814	-846	1 607	1 017	1 425	-	-16 045	9 966	-6 079	-	4 654
Q4	-213	1 445	390	-697	1 138	925	1 602	-	-13 024	15 409	2 385	-	-3 987
1986 Q1	-1 403	1 483†	1 015†	5†	2 503†	1 100†	659†	-	-15 522	12 745†	-2 777	-	2 118
Q2	-1 667	1 309	1 239	-559	1 989	322	-179	-	-15 965	11 364	-4 601	-	4 780
Q3	-2 996	1 350	1 419	-755	2 014	-982	-888	-	-42 810	41 971	-839	-	1 727
Q4	-2 650	1 489	1 411	-865	2 035	-615	233	-	-20 504	14 324	-6 180	-	5 947
1987 Q1	-1 292	1 452	1 561	-849	2 164	872	546	-	-15 822	16 240	418	-	-964
Q2	-2 390	1 421	1 353	-772	2 002	-388	-825	-	-25 070	23 884	-1 186	-	2 011
Q3	-3 202	1 564	1 412	-979	1 997	-1 205	-1 223	-	-25 369	20 949	-4 420	-	5 643
Q4	-3 278	1 085	1 137	-910	1 312	-1 966	-1 185	-	-9 925	12 796	2 871	-	-1 686
1988 Q1	-3 953	887	1 217	-1 065	1 039	-2 914	-3 219	-	-4 700	4 035	-665	-	3 884
Q2	-4 521†	1 075	1 605	-913	1 767	-2 754	-3 309	-	-19 061	18 048	-1 013	-†	4 322
Q3	-5 629	998	1 267	-206	2 059	-3 570	-3 667	-	-22 164	21 749	-415		4 082

1 Prior to 1979 foreign currency lending and borrowing abroad by UK banks (other than certain export credit extended) is recorded on a net basis under liabilities.

A2 Visible trade in the balance of payments

£ million

	Not seasonally adjusted			Seasonally adjusted								
	Total goods			Oil			Non-oil			Total goods		
	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance	Exports (f.o.b.)	Imports (f.o.b.)	Visible balance
	CGJP	CGGL	HCHL	CGQE	CGQG	CGQI	CGQF	CGQH	CGQJ	CGKG	CGHK	AIMA
1977	31 682	34 006	-2 324	1 970	4 744	-2 774	29 712	29 262	450	31 682	34 006	-2 324
1978	34 981	36 574	-1 593	2 224	4 211	-1 987	32 757	32 363	394	34 981	36 574	-1 593
1979	40 470	43 868	-3 398	4 144	4 881	-737	36 326	38 987	-2 661	40 470	43 868	-3 398
1980	47 147	45 794	1 353	6 118	5 810	308	41 029	39 984	1 045	47 147	45 794	1 353
1981	50 668	47 318	3 350	9 092	5 986	3 106	41 576	41 332	244	50 668	47 318	3 350
1982	55 330	53 112	2 218	10 671	6 032	4 639	44 659	47 080	-2 421	55 330	53 112	2 218
1983	60 698	61 773	-1 075	12 486	5 514	6 972	48 212	56 259	-8 047	60 698	61 773	-1 075
1984	70 263	74 843	-4 580	14 833	7 901	6 932	55 430	66 942	-11 512	70 263	74 843	-4 580
1985	77 988	80 334	-2 346	16 114	8 013	8 101	61 874	72 321	-10 447	77 988	80 334	-2 346
1986	72 678	81 394	-8 716	8 202	4 146	4 056	64 476	77 248	-12 772	72 678	81 394	-8 716
1987	79 422	89 584	-10 162	8 445	4 261	4 184	70 977	85 323	-14 346	79 422	89 584	-10 162
1980 Q1	11 919	12 584	-665	1 433	1 560	-127	10 462	10 775	-313	11 895	12 335	-440
Q2	11 859	12 174	-315	1 543	1 543	-	10 325	10 508	-183	11 868	12 051	-183
Q3	11 366	10 503	863	1 538	1 336	202	10 152	9 489	663	11 690	10 825	865
Q4	12 003	10 533	1 470	1 604	1 371	233	10 090	9 212	878	11 694	10 583	1 111
1981 Q1	11 699	10 217	1 482	2 068	1 325	743	9 715	8 755	960	11 783	10 080	1 703
Q2	12 263	11 148	1 115	2 208	1 314	894	10 006	9 598	408	12 214	10 912	1 302
Q3	12 678	12 660	18	2 429	1 652	777	10 740	11 484	-744	13 169	13 136	33
Q4	14 028	13 293	735	2 387	1 695	692	11 115	11 495	-380	13 502	13 190	312
1982 Q1	13 211	13 172	39	2 362	1 690	672	10 972	11 308	-336	13 334	12 998	336
Q2	13 752	13 764	-12	2 420	1 492	928	11 350	12 057	-707	13 770	13 549	221
Q3	13 448	12 836	612	2 849	1 504	1 345	11 007	11 726	-719	13 856	13 230	626
Q4	14 919	13 340	1 579	3 040	1 346	1 694	11 330	11 989	-659	14 370	13 335	1 035
1983 Q1	14 651	14 963	-312	3 082	1 345	1 737	11 598	13 327	-1 729	14 680	14 672	8
Q2	14 749	15 557	-808	2 924	1 385	1 539	11 794	13 844	-2 050	14 718	15 229	-511
Q3	14 769	14 967	-198	2 956	1 419	1 537	12 308	14 055	-1 747	15 264	15 474	-210
Q4	16 529	16 286	243	3 524	1 365	2 159	12 512	15 033	-2 521	16 036	16 398	-362
1984 Q1	16 833	17 400	-567	3 619	1 375	2 244	13 078	15 440	-2 362	16 697	16 815	-118
Q2	16 816	18 443	-1 627	3 401	1 908	1 493	13 437	16 234	-2 797	16 838	18 142	-1 304
Q3	16 682	18 206	-1 524	3 723	2 057	1 666	13 888	17 167	-3 279	17 611	19 224	-1 613
Q4	19 932	20 794	-862	4 090	2 561	1 529	15 027	18 101	-3 074	19 117	20 662	-1 545
1985 Q1	19 955	21 811	-1 856	4 721	2 911	1 810	15 368	18 572	-3 204	20 089	21 483	-1 394
Q2	20 192	20 661	-469	4 305	1 872	2 433	15 882	18 464	-2 582	20 187	20 336	-149
Q3	17 897	18 441	-544	3 387	1 595	1 792	15 264	17 646	-2 382	18 651	19 241	-590
Q4	19 944	19 421	523	3 701	1 635	2 066	15 360	17 639	-2 279	19 061	19 274	-213
1986 Q1	17 539	19 324	-1 785	3 028	1 173	1 855	15 172	18 430	-3 258	18 200	19 603	-1 403
Q2	18 311	20 414	-2 103	1 761	1 007	754	16 049	18 470	-2 421	17 810	19 477	-1 667
Q3	16 667	19 663	-2 996	1 522	897	625	15 984	19 605	-3 621	17 506	20 502	-2 996
Q4	20 161	21 993	-1 832	1 891	1 069	822	17 271	20 743	-3 472	19 162	21 812	-2 650
1987 Q1	19 433	21 151	-1 718	2 221	1 062	1 159	17 308	19 759	-2 451	19 529	20 821	-1 292
Q2	19 325	22 089	-2 764	2 046	1 030	1 016	17 311	20 717	-3 406	19 357	21 747	-2 390
Q3	19 291	22 474	-3 183	2 055	1 119	936	18 179	22 317	-4 138	20 234	23 436	-3 202
Q4	21 373	23 870	-2 497	2 123	1 050	1 073	18 179	22 530	-4 351	20 302	23 580	-3 278
1988 Q1	19 210	23 624	-4 414	1 689	810	879	17 330	22 162	-4 832	19 019	22 972	-3 953
Q2	20 192	25 131†	-4 939†	1 495	817	678	18 743	23 942†	-5 199†	20 238	24 759†	-4 521†
Q3	19 892†	25 356	-5 464	1 248†	885†	363†	19 787†	25 779	-5 992	21 035†	26 664	-5 629

A3 Volume, implied price and unit value indices

1985 = 100

	Seasonally adjusted				Not seasonally adjusted						
	Volume indices				Implied price indices[1]			Unit value indices[2]		Terms of trade[3]	
	All goods	Non-oil goods	Services	Goods and services	Goods	Services	Goods and services	All goods	Non-oil goods	All goods	Non-oil goods
Exports	CGTR	CGSV	CGSI	HHCX	HHCZ	CGTA	HDUV	CGTO	CGSX	CGTQ	CGSZ
1977	77.6	87.8	95.3	81.7	52.3	49.2	51.6	50.5	53.3	89.5	89.6
1978	79.6	88.8	95.4	83.2	56.4	52.9	55.5	55.5	58.9	94.7	93.3
1979	83.1	88.8	97.2	86.4	62.4	59.9	61.8	61.4	64.2	98.2	96.8
1980	84.1	90.3	94.7	86.6	71.9	67.2	70.7	70.0	70.7	102.2	100.7
1981	83.3	86.7	94.1	85.8	78.0	73.0	76.7	76.2	75.3	102.7	101.8
1982	85.6	87.8	89.6	86.6	82.8	79.6	82.0	81.4	80.6	101.4	101.4
1983	87.6	88.2	91.8	88.6	88.8	87.2	88.4	88.0	87.4	100.2	99.5†
1984	94.7	94.9	93.5	94.4	95.1	95.3	95.1	95.0	94.0	99.5	98.5
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1986	103.6	104.1	104.1†	103.7†	89.9	100.0†	92.4	91.8	102.9	95.6	102.0
1987	109.0	111.0	110.8	109.4	93.4	102.1	95.5	95.5	106.8	97.0	103.0
1985 Q1	100.3	99.0	96.9	99.5	102.8	102.6	102.7	102.5	99.8	98.7	96.9
Q2	101.4	101.5	100.3	101.2	102.1	100.1	101.6	101.6	100.6	99.4	98.8
Q3	97.5	99.1	101.7	98.5	98.0	98.1	98.0	98.3	100.1	100.4	101.7
Q4	100.7	100.5	101.1	100.8	97.1	99.8	97.7	97.6	99.6	101.7	102.9
1986 Q1	99.7	98.5	103.2†	100.6†	93.7	99.7	95.2	95.3	101.6	98.0	101.7
Q2	103.1	104.5	102.4	102.9	88.9	98.3†	91.1	90.2	102.2	95.4	102.8
Q3	103.0	103.5	104.0	103.2	86.3	100.0	90.1	89.4	102.9	95.1	102.7
Q4	108.7	109.8	106.9	108.3	90.9	102.0	93.3	92.3	104.7	94.1	100.6
1987 Q1	108.8	109.2	107.4	108.5	92.1	100.7	94.0	94.7	105.9	94.7	100.4
Q2	106.2†	108.2†	110.9	107.3	93.7†	101.0	95.5†	95.2	106.6	97.6	103.9
Q3	109.2	113.1	114.9	110.5	94.4	103.8	97.1	96.2	107.1	98.0	103.8
Q4	111.9	113.3	109.3	111.3	93.5	102.2	95.4	95.8	107.7	97.6	104.2
1988 Q1	106.5	107.8	110.3	107.4	91.8	100.2	93.7	95.4	109.4	97.0	104.8
Q2	111.1	116.2	110.3	110.9	93.7	100.8	95.4	96.5	111.1	98.5†	106.7†
Q3	110.5	119.4	109.6	110.3	96.8	104.7	99.0	98.8†	113.8†	99.1	107.7
Imports	CGTS	CGSW	CGSP	HHCY	HHDA	CGTB	HDWN	CGTP	CGSY		
1977	72.8	64.6	80.8	74.4	58.1	56.4	57.8	56.4	59.5		
1978	76.1	68.5	81.7	77.2	59.8	58.3	59.5	58.6	63.1		
1979	83.5	77.2	89.7	84.7	65.4	62.3	64.7	62.4†	66.3		
1980	79.0	74.9	94.6	81.9	72.2	66.4	71.0	68.5	70.1†		
1981	75.9	73.7	96.3	79.6	77.7	72.3	76.6	74.2	74.0		
1982	80.1	79.1	98.9	83.5	82.5	80.2	82.1	80.2	79.5		
1983	87.0	87.7	96.7	88.9†	88.4	88.5	88.4	87.8	87.7		
1984	96.9†	96.5	99.9	97.5	96.1	96.5	96.2†	95.5	95.4		
1985	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0		
1986	107.0	106.0	104.5	106.5	94.7	102.6	96.2	96.0	100.9		
1987	114.4	114.6	113.9	114.3	97.5	104.7	98.9	98.5	103.7		
1985 Q1	102.1	99.3	98.4	101.4	104.8	105.6	104.9	103.9	103.0		
Q2	99.0	100.1	97.7	98.8	102.2	100.9	102.0	102.2	101.8		
Q3	98.2	99.4	100.0	98.6	97.5	97.0	97.4	97.9	98.4		
Q4	100.7	101.2	103.8	101.3	95.2	97.7	95.7	96.0	96.8		
1986 Q1	100.7	102.3	104.7†	101.4†	97.1	99.8†	97.6	97.2	99.9		
Q2	103.5	102.8	104.2	103.6	94.1	99.7	95.1	94.5	99.4		
Q3	110.8	108.1	102.7	109.3	92.0	106.7	95.1	94.0	100.2		
Q4	112.8	110.6	106.4	111.6	95.8	103.2	97.0	98.1	104.1		
1987 Q1	105.9	105.0	106.8	106.1	97.9	103.9	99.0	100.0	105.5		
Q2	111.3	111.8	112.1	111.4	97.7	104.0	98.9	97.5	102.6		
Q3	119.5	120.0	115.6	118.7	97.6	108.3	100.0	98.2	103.2		
Q4	120.8	121.6	121.0	120.8	96.8	101.7	97.7	98.2	103.4		
1988 Q1	117.8	119.4	122.3	118.6	97.4	102.8	98.3	98.4	104.4		
Q2	127.4	129.4	121.5	126.3	97.4†	101.9	98.2†	98.0†	104.1†		
Q3	135.6†	137.8†	124.2	133.4	97.8	105.8	99.5	99.5	105.7		

1 Current price value as a percentage of value at 1985 prices. Shows the price difference compared with 1985 for the current pattern of trade.

2 Shows the price difference compared with 1985 for the 1985 pattern of trade (the 1980 pattern up to 1982). Not available for services.

3 Export unit value indices as a percentage of import unit value indices. These values are shown against 'exports' for convenience.

A4 Invisibles: summary

£ million

	Seasonally adjusted											Not seasonally adjusted		
	Invisibles credits				Invisibles debits				Invisibles balance			Total invisibles		
	Services	IPD	Transfers	Total	Services	IPD	Transfers	Total	Private sector and PC: services and IPD	Gen. govt. transactions and private transfers	Total	Credits	Debits	Balance
	CGKS	CGKL	CGKT	CGKR	CGHU	CGHJ	CGHV	CGHT	CGIV	CGIS	AIMB	CGJY	CGGY	CGIK
1977	11 623	8 816	912	21 351	8 586	8 551	2 040	19 177	4 181	-2 007	2 174	21 351	19 177	2 174
1978	12 501	11 181	1 213	24 895	8 959	10 375	3 004	22 338	5 038	-2 481	2 557	24 895	22 338	2 557
1979	14 434	17 505	1 400	33 339	10 527	16 300	3 610	30 437	5 785	-2 883	2 902	33 339	30 437	2 902
1980	15 779	23 690	1 893	41 362	11 830	23 886	3 877	39 593	4 552	-2 783	1 769	41 362	39 593	1 769
1981	17 026	37 529	2 792	57 347	13 103	36 319	4 339	53 761	5 965	-2 379	3 586	57 347	53 761	3 586
1982	17 685	44 396	3 402	65 483	14 923	42 950	5 143	63 016	5 671	-3 204	2 467	65 483	63 016	2 467
1983	19 843	42 471	3 683	65 997	16 122	39 624	5 344	61 090	8 045	-3 138	4 907	65 997	61 090	4 907
1984	22 086	51 699	3 980	77 765	18 145	47 266	5 752	71 163	10 065	-3 463	6 602	77 765	71 163	6 602
1985	24 794	52 309	3 559	80 662	18 832	49 509	6 638	74 979	10 804	-5 121	5 683	80 662	74 979	5 683
1986	25 819†	47 637	3 806	77 262†	20 188	42 553†	5 980†	68 721†	13 017†	-4 476†	8 541†	77 262†	68 721†	8 541†
1987	27 983	48 085†	3 837	79 905	22 461†	42 622	7 347	72 430	13 646	-6 171	7 475	79 905	72 430	7 475
1980 Q1	3 931	5 683	445	10 059	2 978	5 745	928	9 651	1 026	-618	408	9 655	9 341	314
Q2	3 901	6 252	414	10 567	2 977	6 438	1 011	10 426	969	-828	141	10 515	10 503	12
Q3	3 940	5 719	443	10 102	2 938	5 764	1 015	9 717	1 161	-776	385	10 690	10 131	559
Q4	4 007	6 036	591	10 634	2 937	5 939	923	9 799	1 396	-561	835	10 502	9 618	884
1981 Q1	4 028	7 199	1 033	12 260	2 984	6 948	1 085	11 017	1 426	-183	1 243	11 888	10 691	1 197
Q2	4 138	8 414	433	12 985	3 167	8 041	1 021	12 229	1 539	-783	756	12 930	12 321	609
Q3	4 399	10 255	533	15 187	3 451	9 974	1 204	14 629	1 443	-885	558	15 753	15 090	663
Q4	4 461	11 661	793	16 915	3 501	11 356	1 029	15 886	1 557	-528	1 029	16 776	15 659	1 117
1982 Q1	4 363	10 393	1 380	16 136	3 482	10 305	1 255	15 042	1 265	-171	1 094	15 754	14 641	1 113
Q2	4 455	11 241	526	16 222	3 761	10 818	1 269	15 848	1 482	-1 108	374	16 150	16 003	147
Q3	4 362	11 241	672	16 275	3 832	10 839	1 319	15 990	1 350	-1 065	285	16 853	16 502	351
Q4	4 505	11 521	824	16 850	3 848	10 988	1 300	16 136	1 574	-860	714	16 726	15 870	856
1983 Q1	4 887	11 480	1 258	17 625	3 891	10 665	1 252	15 808	2 159	-342	1 817	17 189	15 400	1 789
Q2	4 888	9 960	700	15 548	3 959	9 599	1 413	14 971	1 632	-1 055	577	15 463	15 037	426
Q3	5 021	10 353	824	16 198	4 182	9 350	1 221	14 753	2 214	-769	1 445	16 879	15 283	1 596
Q4	5 047	10 678	901	16 626	4 090	10 010	1 458	15 558	2 040	-972	1 068	16 466	15 370	1 096
1984 Q1	5 309	11 358	1 047	17 714	4 292	10 462	1 403	16 157	2 314	-757	1 557	17 470	16 038	1 432
Q2	5 378	11 978	741	18 097	4 501	11 106	1 417	17 024	2 191	-1 118	1 073	17 878	16 929	949
Q3	5 563	13 630	756	19 949	4 565	12 665	1 375	18 605	2 395	-1 051	1 344	20 674	18 962	1 712
Q4	5 836	14 733	1 436	22 005	4 787	13 033	1 557	19 377	3 165	-537	2 628	21 743	19 234	2 509
1985 Q1	6 145	14 495	976	21 616	4 857	13 577	1 838	20 272	2 709	-1 365	1 344	21 358	20 170	1 188
Q2	6 245	13 510	761	20 516	4 655	12 832	1 435	18 922	2 740	-1 146	1 594	20 241	18 794	1 447
Q3	6 170	12 476	970	19 616	4 531	11 662	1 816	18 009	3 009	-1 402	1 607	20 478	18 509	1 969
Q4	6 234	11 828	852	18 914	4 789	11 438	1 549	17 776	2 346	-1 208	1 138	18 585	17 506	1 079
1986 Q1	6 390†	11 750	1 044	19 184†	4 907†	10 735†	1 039†	16 681†	3 097†	-594†	2 503†	18 773	16 329†	2 444†
Q2	6 269	11 532	1 025	18 826	4 960	10 293	1 584	16 837	3 084	-1 095	1 989	18 673†	16 749	1 924
Q3	6 435	12 000	933	19 368	5 085	10 581	1 688	17 354	3 319	-1 305	2 014	20 265	18 157	2 108
Q4	6 725	12 355	804	19 884	5 236	10 944	1 669	17 849	3 517	-1 482	2 035	19 551	17 486	2 065
1987 Q1	6 739	11 832†	1 245	19 816	5 287	10 271	2 094	17 652	3 605	-1 441	2 164	19 490	17 226	2 264
Q2	6 994	12 022	1 062	20 078	5 573	10 669	1 834	18 076	3 373	-1 371	2 002	19 876	17 937	1 939
Q3	7 382	12 152	863	20 377	5 798	10 740	1 842	18 380	3 694	-1 697	1 997	21 348	19 388	1 960
Q4	6 888	12 079	667	19 634	5 803	10 942	1 577	18 322	2 974	-1 662	1 312	19 191	17 879	1 312
1988 Q1	6 883	12 520	874	20 277	5 996	11 303	1 939	19 238	2 679	-1 640	1 039	19 843	18 648	1 195
Q2	6 959	13 147	1 017	21 123	5 884	11 542	1 930	19 356	3 350	-1 583	1 767	20 982	19 352	1 630
Q3	7 065	14 100	998†	22 163	6 067	12 833	1 204	20 104	2 920	-861	2 059	22 974	21 177	1 797

A5 Services

£ million

	Private sector and public corporations											
	Sea transport			Civil aviation			Travel			Financial and other services		
	Credits	Debits	Balance	Credits	Debits	Balance	Credits	Debits	Balance	Credits	Debits	Balance
	CGJW	CGGW	HBTO	CGJO	CGGG	HDJA	CGKA	CGHA	HBYE	HHDE	HBVH	HHCW
1977	3 433	3 345	88	1 203	984	219	2 352	1 186	1 166	4 394	2 131	2 263
1978	3 149	3 162	-13	1 455	1 173	282	2 507	1 549	958	5 136	2 089	3 047
1979	3 804	3 677	127	1 755	1 462	293	2 797	2 109	688	5 813	2 206	3 607
1980	3 816	3 675	141	2 210	1 839	371	2 961	2 738	223	6 477	2 413	4 064
1981	3 784	3 944	-160	2 359	1 966	393	2 970	3 272	-302	7 512	2 657	4 855
1982	3 267	3 891	-624	2 471	2 172	299	3 188	3 640	-452	8 355	3 466	4 889
1983	3 054	4 205	-1 151	2 665	2 345	320	4 003	4 090	-87	9 651	3 960	5 691
1984	3 253	4 357	-1 104	2 931	2 694	237	4 614	4 663	-49	10 814	4 776	6 038
1985	3 271	4 435	-1 164	3 078	2 925	153	5 442	4 871	571	12 522	4 821	7 701
1986	3 230	4 296	-1 066	2 786	3 200	-414	5 553	6 083	-530	13 743†	4 702	9 041†
1987	3 341	4 465	-1 124	3 159†	3 778†	-619†	6 237	7 255	-1 018	14 737	4 846†	9 891
Not seasonally adjusted												
1984 Q1	739	1 050	-311	561	532	29	727	715	12	2 713	1 115	1 598
Q2	807	1 071	-264	693	646	47	1 075	1 182	-107	2 605	1 182	1 423
Q3	885	1 074	-189	901	855	46	1 751	1 835	-84	2 723	1 219	1 504
Q4	822	1 162	-340	776	661	115	1 061	931	130	2 773	1 260	1 513
1985 Q1	786	1 170	-384	618	617	1	900	845	55	3 179	1 216	1 963
Q2	860	1 164	-304	784	734	50	1 330	1 152	178	3 027	1 214	1 813
Q3	840	1 049	-209	941	859	82	2 064	1 876	188	3 178	1 179	1 999
Q4	785	1 052	-267	735	715	20	1 148	998	150	3 138	1 212	1 926
1986 Q1	772	1 012	-240	618	718	-100	937	897	40	3 373	1 147	2 226
Q2	867	1 112	-245	648	789	-141	1 278	1 458	-180	3 299†	1 159	2 140†
Q3	802	1 069	-267	820	960	-140	2 095	2 543	-448	3 573	1 174	2 399
Q4	789	1 103	-314	700	733	-33	1 243	1 185	58	3 498	1 222	2 276
1987 Q1	713	1 005	-292	580†	782	-202†	1 014	1 081	-67	3 632	1 178	2 454
Q2	831	1 115	-284	796	915	-119	1 491	1 798	-307	3 620	1 197	2 423
Q3	919	1 171	-252	1 043	1 182†	-139	2 358	2 977	-619	4 031	1 229†	2 802
Q4	878	1 174	-296	740	899	-159	1 374	1 399	-25	3 454	1 242	2 212
1988 Q1	804	1 082†	-278†	631	926	-295	1 061	1 342	-281	3 599	1 249	2 350
Q2	894†	1 088	-194	790	947	-157	1 488†	1 966†	-478†	3 556	1 245	2 311
Q3	951	1 167	-216	1 022	1 201	-179	2 265	3 270	-1 005	3 826	1 291	2 535
Seasonally adjusted												
	CGKP	CGHR	HHCS	CGKE	CGHF	HHCT	CGKU	CGHW	HHCU	HHDD	CGHN	HHCV
1984 Q1	773	1 046	-273	700	617	83	1 066	1 096	-30	2 661	1 136	1 525
Q2	798	1 060	-262	721	647	74	1 134	1 190	-56	2 635	1 190	1 445
Q3	843	1 087	-244	736	709	27	1 194	1 134	60	2 662	1 216	1 446
Q4	839	1 164	-325	774	721	53	1 220	1 243	-23	2 856	1 234	1 622
1985 Q1	825	1 171	-346	769	704	65	1 329	1 287	42	3 106	1 239	1 867
Q2	850	1 152	-302	810	733	77	1 404	1 142	262	3 068	1 214	1 854
Q3	800	1 053	-253	760	708	52	1 382	1 134	248	3 109	1 170	1 939
Q4	796	1 059	-263	739	780	-41	1 327	1 308	19	3 239	1 198	2 041
1986 Q1	807	1 033	-226	775†	819†	-44†	1 365	1 381	-16	3 309	1 159	2 150
Q2	846	1 084	-238	647	788	-141	1 342	1 504	-162	3 332†	1 154	2 178†
Q3	768	1 072	-304	648	781	-133	1 414	1 614	-200	3 495	1 179	2 316
Q4	809	1 107	-298	716	812	-96	1 432	1 584	-152	3 607	1 210	2 397
1987 Q1	750	1 012	-262	734	900	-166	1 489	1 687	-198	3 581	1 185	2 396
Q2	813	1 107	-294	811	915	-104	1 576	1 868	-292	3 669	1 196	2 473
Q3	877	1 166	-289	835	962	-127	1 597	1 895	-298	3 941	1 231†	2 710
Q4	901	1 180	-279	779	1 001	-222	1 575	1 805	-230	3 546	1 234	2 312
1988 Q1	847	1 086†	-239†	795	1 064	-269	1 538†	2 042†	-504†	3 540	1 254	2 286
Q2	870†	1 082	-212	796	947	-151	1 569	2 008	-439	3 633	1 243	2 390
Q3	903	1 165	-262	809	986	-177	1 518	2 067	-549	3 743	1 294	2 449

A5 Services
continued

£ million

	Private sector and public corporations			General government					Total services		
	All services			Credits							
	Credits	Debits	Balance	From EC institutions	Other	Total	Debits	Balance	Credits	Debits	Balance
	CGJU	CGGU	CGIL	CGPJ	CGPK	CGJR	CGGI	CGIG	CGJZ	CGGZ	CGIN
1977	11 382	7 646	3 736	78	163	241	940	-699	11 623	8 586	3 037
1978	12 247	7 973	4 274	94	160	254	986	-732	12 501	8 959	3 542
1979	14 169	9 454	4 715	115	150	265	1 073	-808	14 434	10 527	3 907
1980	15 464	10 665	4 799	112	203	315	1 165	-850	15 779	11 830	3 949
1981	16 625	11 839	4 786	122	279	401	1 264	-863	17 026	13 103	3 923
1982	17 281	13 169	4 112	150	254	404	1 754	-1 350	17 685	14 923	2 762
1983	19 373	14 600	4 773	148	322	470	1 522	-1 052	19 843	16 122	3 721
1984	21 612	16 490	5 122	186	288	474	1 655	-1 181	22 086	18 145	3 941
1985	24 313	17 052	7 261	157	324	481	1 780	-1 299	24 794	18 832	5 962
1986	25 312†	18 281	7 031†	157	350	507	1 907	-1 400	25 819†	20 188	5 631†
1987	27 474	20 344†	7 130	127	382	509	2 117	-1 608	27 983	22 461†	5 522
Not seasonally adjusted											
1984 Q1	4 740	3 412	1 328	41	103	144	397	-253	4 884	3 809	1 075
Q2	5 180	4 081	1 099	38	37	75	414	-339	5 255	4 495	760
Q3	6 260	4 983	1 277	46	73	119	419	-300	6 379	5 402	977
Q4	5 432	4 014	1 418	61	75	136	425	-289	5 568	4 439	1 129
1985 Q1	5 483	3 848	1 635	38	117	155	456	-301	5 638	4 304	1 334
Q2	6 001	4 264	1 737	39	53	92	414	-322	6 093	4 678	1 415
Q3	7 023	4 963	2 060	40	70	110	466	-356	7 133	5 429	1 704
Q4	5 806	3 977	1 829	40	84	124	444	-320	5 930	4 421	1 509
1986 Q1	5 700	3 774	1 926	31	149	180	515	-335	5 880	4 289	1 591
Q2	6 092†	4 518	1 574†	50	36	86	430	-344	6 178†	4 948	1 230†
Q3	7 290	5 746	1 544	29	69	98	439	-341	7 388	6 185	1 203
Q4	6 230	4 243	1 987	47	96	143	523	-380	6 373	4 766	1 607
1987 Q1	5 939	4 046	1 893	64	175	239	503	-264	6 178	4 549	1 629
Q2	6 738	5 025	1 713	46	55	101	487	-386	6 839	5 512	1 327
Q3	8 351	6 559†	1 792	16	82	98	544	-446	8 449	7 103†	1 346
Q4	6 446	4 714	1 732	1	70	71	583	-512	6 517	5 297	1 220
1988 Q1	6 095	4 599	1 496	80	126	206	550	-344	6 301	5 149	1 152
Q2	6 728	5 246	1 482	1	64	65	604†	-539†	6 793	5 850	943
Q3	8 064	6 929	1 135	3†	78†	81†	555	-474	8 145	7 484	661
Seasonally adjusted											
	CGKN	CGHP	CGIT	CGPJ	CGPO	CGKK	CGHH	CGIP	CGKS	CGHU	AIMC
1984 Q1	5 200	3 895	1 305	41	68	109	397	-288	5 309	4 292	1 017
Q2	5 288	4 087	1 201	38	52	90	414	-324	5 378	4 501	877
Q3	5 435	4 146	1 289	46	82	128	419	-291	5 563	4 565	998
Q4	5 689	4 362	1 327	61	86	147	425	-278	5 836	4 787	1 049
1985 Q1	6 029	4 401	1 628	38	78	116	456	-340	6 145	4 857	1 288
Q2	6 132	4 241	1 891	39	74	113	414	-301	6 245	4 655	1 590
Q3	6 051	4 065	1 986	40	79	119	466	-347	6 170	4 531	1 639
Q4	6 101	4 345	1 756	40	93	133	444	-311	6 234	4 789	1 445
1986 Q1	6 256†	4 392†	1 864†	31	103	134	515	-381	6 390†	4 907†	1 483†
Q2	6 167	4 530	1 637	50	52	102	430	-328	6 269	4 960	1 309
Q3	6 325	4 646	1 679	29	81	110	439	-329	6 435	5 085	1 350
Q4	6 564	4 713	1 851	47	114	161	523	-362	6 725	5 236	1 489
1987 Q1	6 554	4 784	1 770	64	121	185	503	-318	6 739	5 287	1 452
Q2	6 869	5 086	1 783	46	79	125	487	-362	6 994	5 573	1 421
Q3	7 250	5 254	1 996	16	96	112	544	-432	7 362	5 798	1 564
Q4	6 801	5 220	1 581	1	86	87	583	-496	6 888	5 803	1 085
1988 Q1	6 720	5 446	1 274	80	83	163	550	-387	6 883	5 996	887
Q2	6 868	5 280	1 588	1	90	91	604†	-513†	6 959	5 884	1 075
Q3	6 973	5 512	1 461	3†	89†	92†	555	-463	7 065	6 067	998

A6 Interest, profits and dividends

£ million

	Credits - earnings on:												
		Portfolio investment				Deposits and lending overseas by UK residents other than banks and general government					Of which:	
	Direct investment	UK banks	Other UK residents	Total	Lending etc to overseas residents by UK banks	Of which: identified foreign currency lending	Transactions with banks abroad	Other assets	Official reserves	Other external assets of central government	Total credits	Private sector and public corporations	General government
	HHBY	HESH	HHHR	CGNV	HERG	HHIJ	HERH	HERJ	HHCB	HERI	CGJS	CGNT	CGNR
1977	2 834	20	308	328†	5 021	4 731	168	80	233	152	8 816	8 431	385
1978	3 216	40	360	400	6 559	6 180	216	97	536	157	11 181	10 489	692
1979	5 819	50	490	540	9 812	9 296	355	163	653	163	17 505	16 689	816
1980	5 049	80	670	750	16 045	15 285	684	215	799	148	23 690	22 744	946
1981	5 418	200	790	990	28 740	27 586	1 158	253	857	113	37 529	36 558	971
1982	4 804	350	1 300	1 650	34 502	33 161	1 596	865	761	218	44 396	43 417	979
1983	6 198	840	1 823	2 663	30 709	29 099	1 388	748	589	176	42 471	41 707	764
1984	7 824	1 423	2 261†	3 684	36 664	34 659	1 706	1 002	587	230	51 699	50 882	817
1985	7 761	2 301	2 683	4 984	35 823	32 787	1 975	1 031	538	197	52 309	51 574	735
1986	7 656	2 621	3 188	5 809	30 910	28 108	1 673	824	608	157	47 637	46 873	764
1987	10 683†	2 477	3 044	5 521	28 586†	25 421†	1 717†	646	854	78	48 085†	47 153†	932
Not seasonally adjusted													
1984 Q1	1 918	241	522	763†	8 093	7 639	353	216	138	52	11 533	11 342	191
Q2	1 714	288	541†	829	8 576	8 078	369	235	172	51	11 946	11 723	223
Q3	2 198	397	575	972	9 482	8 962	435	263	130	63	13 543	13 350	193
Q4	1 994	497	623	1 120	10 513	9 980	551	288	147	64	14 677	14 467	210
1985 Q1	2 327	651	678	1 329	10 067	9 326	555	285	144	32	14 739	14 563	176
Q2	2 101	582	681	1 263	9 118	8 390	518	258	131	61	13 450	13 258	192
Q3	1 920	548	665	1 213	8 365	7 551	467	248	123	43	12 379	12 213	166
Q4	1 413	520	659	1 179	8 273	7 520	435	240	140	61	11 741	11 540	201
1986 Q1	1 611	615	708	1 323	8 068	7 366	436	225	150	33	11 846	11 664	182
Q2	1 869	618	765	1 383	7 456	6 727	439	203	152	33	11 535	11 350	185
Q3	2 084	675	829	1 504	7 578	6 907	392	202	151	41	11 952	11 760	192
Q4	2 092	713	886	1 599	7 808	7 108	406	194	155	50	12 304	12 099	205
1987 Q1	2 601	663	839	1 502	7 164†	6 386†	420	174	159	25	12 045†	11 861†	184
Q2	2 717	621	791	1 412	7 082	6 310	426†	162	217	12	12 028	11 799	229
Q3	2 736†	595	747	1 342	7 137	6 347	435	158	208	19	12 035	11 808	227
Q4	2 629	598	667	1 265	7 203	6 378	436	152	270	22	11 977	11 685	292
1988 Q1	2 644	607	713	1 320	7 763	6 933	459	154	295	33†	12 668	12 341	327†
Q2	2 983	594	731	1 325	7 936	7 090	397	153	350	28	13 172	12 794	378
Q3	2 753	625†	803	1 428	8 665	7 627	428	178†	353†	26	13 831	13 451	380
Seasonally adjusted													
	HHBZ	HHAS	HHHS	CGGS	HHHQ	HHJK	HERH	HERJ	HHCC	HHHW	CGKL	CGMI	CGMG
1984 Q1	1 743	241	522	763†	8 087	7 639	353	216	138	58	11 358	11 162	196
Q2	1 744	288	541†	829	8 569	8 078	369	235	172	60	11 978	11 746	232
Q3	2 287	397	575	972	9 480	8 962	435	263	130	63	13 630	13 437	193
Q4	2 050	497	623	1 120	10 528	9 980	551	288	147	49	14 733	14 537	196
1985 Q1	2 095	651	678	1 329	10 050	9 326	555	285	144	37	14 495	14 314	181
Q2	2 159	582	681	1 263	9 112	8 390	518	258	131	69	13 510	13 310	200
Q3	2 012	548	665	1 213	8 369	7 551	467	248	123	44	12 476	12 309	167
Q4	1 495	520	659	1 179	8 292	7 520	435	240	140	47	11 828	11 641	187
1986 Q1	1 520	615	708	1 323	8 056	7 366	436	225	150	40	11 750	11 561	189
Q2	1 862	618	765	1 383	7 452	6 727	439	203	152	41	11 532	11 340	192
Q3	2 132	675	829	1 504	7 580	6 907	392	202	151	39	12 000	11 809	191
Q4	2 142	713	886	1 599	7 822	7 108	406	194	155	37	12 355	12 163	192
1987 Q1	2 402	663	839	1 502	7 148†	6 386†	420	174	159	27	11 832†	11 646†	186
Q2	2 713	621	791	1 412	7 075	6 310	426†	162	217	17	12 022	11 788	234
Q3	2 851†	595	747	1 342	7 140	6 347	435	158	208	18	12 152	11 926	226
Q4	2 717	598	667	1 265	7 223	6 378	436	152	270	16	12 079	11 793	286
1988 Q1	2 499	607	713	1 320	7 752	6 933	459	154	295	41†	12 520	12 185	335†
Q2	2 955	594	731	1 325	7 932	7 090	397	153	350	35	13 147	12 762	385
Q3	3 016	625†	803	1 428	8 671	7 627	428	178†	353†	26	14 100	13 721	379

A6 Interest, profits and dividends

continued

£ million

	Debits - earnings on:												Balance of IPD		
	Direct investment				Overseas borrowing by UK banks		Borrowing from overseas by UK residents other than banks and general government				Of which:				
	Non-oil companies	Oil companies and misc.	Total	Portfolio investment	Foreign currency	Sterling	Transactions with banks abroad	Other liabilities	Other external liabilities of general government	Total debits	Private sector and public corporations	General government	Private sector and public corporations	General government	Total
	CGNX	HHCF	HHCH	HERN	HHID	HHIE	HERO	HERQ	HERR	CGGK	HHII	HERS	CGQD	HERV	CGOA
1977	1 432	569	2 001	670	4 924	308	324	59	265	8 551	7 986	565	445	-180	265
1978	1 526	707	2 233	782	6 183	343†	513	71	250	10 375	9 725	650	764	42	806
1979	2 077	1 919	3 996	844	9 717	720	883	90	250	16 300	15 619	681	1 070	135	1 205
1980	1 873	2 900	4 773	1 084	15 324	1 203	1 179	51	272	23 886	22 991	895	-247	51	-196
1981	1 961	2 741	4 702	1 212	27 156	1 528	1 437	53	231	36 319	35 379	940	1 179	31	1 210
1982	2 081	2 586	4 667	1 303	32 933	1 878	1 752	124	293	42 950	41 858	1 092	1 559	-113	1 446
1983	2 308	2 958	5 266	1 362	28 893	2 032	1 631	136	304	39 624	38 435	1 189	3 272	-425	2 847
1984	2 965	3 314	6 279	1 549	34 731	2 286	1 888	200	333	47 266	45 939	1 327	4 943	-510	4 433
1985	3 459	4 005	7 464	1 825	34 281	3 560	1 808	267	304	49 509	48 031	1 478	3 543	-743	2 800
1986	3 111	2 215	5 326	2 380†	29 038	3 553	1 665	297	294	42 553†	40 887†	1 666†	5 986†	-902†	5 084†
1987	3 090†	2 668	5 758†	3 214	27 195†	4 021	1 758	368	308	42 622	40 637	1 985	6 516	-1 053	5 463
Not seasonally adjusted															
1984 Q1	709	1 110	1 819	387	7 502	480†	396	45	50	10 679	10 347	332	995	-141	854
Q2	772	816	1 588	401	7 930	519	470	45	94	11 047	10 728	319	995	-96	899
Q3	658	694	1 352	432	9 335	545	467	55	60	12 246	11 892	354	1 458	-161	1 297
Q4	826	694	1 520	329	9 964	742	555	55	129	13 294	12 972	322	1 495	-112	1 383
1985 Q1	888	1 459	2 347	439	9 739	717	486	62	65	13 855	13 475	380	1 088	-204	884
Q2	1 015	870	1 885	434	8 912	883	471	69	73	12 727	12 407	320	851	-128	723
Q3	636	669	1 305	518	7 985	1 000	405	67	56	11 336	10 932	404	1 281	-238	1 043
Q4	920	1 007	1 927	434	7 645	960	446	69	110	11 591	11 217	374	323	-173	150
1986 Q1	604	733	1 337	592†	7 471	890	408	69	60	10 827†	10 364	463†	1 300	-281†	1 019†
Q2	836	462	1 298	536	6 958	899	427	65	67	10 250	9 912	338	1 438	-153	1 285
Q3	758	311	1 069	671	7 224	882	381	72	53	10 352	9 892	460	1 868	-268	1 600
Q4	913	709	1 622	581	7 385	882	449	91	114	11 124	10 719†	405	1 380†	-200	1 180
1987 Q1	714†	851	1 565†	796	6 525†	956	423	83	61	10 409	9 849	560	2 012	-376	1 636
Q2	799	526	1 325	767	6 911	1 031	438	85	67	10 624	10 256	368	1 543	-139	1 404
Q3	760	468	1 228	932	6 813	939	436	93	66	10 507	9 919	588	1 889	-361	1 528
Q4	817	823	1 640	719	6 946	1 095	461	107	114	11 082	10 613	469	1 072	-177	895
1988 Q1	834	497	1 331	920	7 472	981	451	106	73	11 334	10 696	638	1 645	-311	1 334
Q2	1 129	354†	1 483	946	7 440	1 071	431	119†	78	11 568	11 153	415	1 641	-37	1 604
Q3	1 151	372	1 523	1 053	8 002	1 292	468†	146	84†	12 568	11 914	654	1 537	-274	1 263
Seasonally adjusted															
	CGEU	HHCG	HHCI	HHIA	HHIV	HHIH	HHHX	HHHZ	HHHY	CGHJ	HHHK	HHHL	CGMW	HHHM	AIMD
1984 Q1	721	832	1 553	359	7 502	514†	420	45	69	10 462	10 153	309	1 009	-113	896
Q2	717	939	1 656	405	7 930	519	448	45	103	11 106	10 756	350	990	-118	872
Q3	715	987	1 702	403	9 335	595	495	56	79	12 665	12 331	334	1 106	-141	965
Q4	812	556	1 368	382	9 964	658	525	54	82	13 033	12 699	334	1 838	-138	1 700
1985 Q1	916	1 112	2 028	394	9 739	763	509	62	82	13 577	13 233	344	1 081	-163	918
Q2	935	1 044	1 979	464	8 912	876	454	69	78	12 832	12 461	371	849	-171	678
Q3	688	988	1 676	475	7 985	961	426	67	72	11 662	11 286	376	1 023	-209	814
Q4	920	861	1 781	492	7 645	960	419	69	72	11 438	11 051	387	590	-200	390
1986 Q1	635	579	1 214	544†	7 471	931	428	70	77	10 735†	10 328†	407†	1 233†	-218†	1 015†
Q2	768	569	1 337	562	6 958	887	412	65†	72	10 293	9 893	400	1 447	-208	1 239
Q3	812	462	1 274	606	7 224	934	399	72	72	10 581	10 169	412	1 640	-221	1 419
Q4	896	605	1 501	668	7 385	801	426	90	73	10 944	10 497	447	1 666	-255	1 411
1987 Q1	769†	660	1 429†	720	6 525†	996	441	86	74	10 271	9 811	460	1 835	-274	1 561
Q2	725	628	1 353	801	6 911	1 022	424	89	69	10 669	10 198	471	1 590	-237	1 353
Q3	808	669	1 477	824	6 813	1 000	452	94	80	10 740	10 228	512	1 698	-286	1 412
Q4	788	711	1 499	869	6 946	1 003	441	99	85	10 942	10 400	542	1 393	-256	1 137
1988 Q1	903	381	1 284	874	7 472	1 021	465	101	86	11 303	10 780	523	1 405	-188	1 217
Q2	1 033	429†	1 462	956	7 440	1 062	420†	122	80	11 542	11 000	542	1 762	-157	1 605
Q3	1 222	548	1 770	955	8 002	1 376	484	147	99†	12 833	12 262	571	1 459	-192	1 267

A7 Transfers

£ million

	Credits							Debits						Balance	
		General government							General government						
		European Community institutions							EC institutions						
	Private	Agricultural Fund	Social Fund	Regional Development Fund	Negotiated refunds	Other	Total	Private	Bilateral aid	Before VAT abatement	VAT abatement	Other	Total	Total	Of which: with EC institutions[1]
	CGJV	HCOW	HDIZ	HBZA	CGPI	HHAA	HDKD	CGGV	CGEG	HHHO	HHHP	HHAB	CGGJ	CGIO	CGII
1977	614	181	48	60	-	9	298	659	279	750	-	352	1 381	-1 128	-452
1978	774	329	63	35	-	12	439	901	387	1 364	-	352	2 103	-1 791	-925
1979	850	371	87	71	-	21	550	1 044	498	1 626	-	442	2 566	-2 210	-1 076
1980	935	550	95	173	98	42	958	1 139	528	1 783	-	427	2 738	-1 984	-825
1981	1 117	683	107	145	693	47	1 675	1 057	584	2 188	-	510	3 282	-1 547	-513
1982	1 248	791	152	111	1 019	81	2 154	1 200	496	2 878	-	569	3 943	-1 741	-724
1983	1 448	1 082	128	139	807	79	2 235	1 179	534	2 994	-	637	4 165	-1 661	-759
1984	1 588	1 353	283	184	528	44	2 392	1 261	560	3 213	-	718	4 491	-1 772	-821
1985	1 689	1 203	256	274	61	76	1 870	1 436	614	3 970	-166	784	5 202	-3 079	-1 934
1986	1 668	1 385	335	298	-	120	2 138	1 609†	656	4 513	-1 701	903	4 371	-2 174†	-674
1987	1 566	1 344	428	404	-	95	2 271	1 787	570	5 219	-1 153	924†	5 560†	-3 510	-1 795
Not seasonally adjusted															
1984 Q1	386	407	180	67	-	13	667	304	248	783	-	215	1 246	-497	-116
Q2	393	244	10	17	-	13	284	311	68	787	-	221	1 076	-710	-503
Q3	401	306	5	31	-	9	351	319	102	748	-	145	995	-562	-397
Q4	408	396	88	69	528	9	1 090	327	142	895	-	137	1 174	-3	195
1985 Q1	418	277	101	85	61	39	563	343	290	1 137	-	241	1 568	-1 030	-574
Q2	421	231	4	39	-	3	277	354	73	721	-	241	1 035	-691	-444
Q3	424	306	147	78	-	11	542	364	124	1 091	-	165	1 380	-778	-549
Q4	426	389	4	72	-	23	488	375	127	1 021	-166	137	1 119	-580	-367
1986 Q1	423	488	8	94	-	34	624	386†	292	936	-657	256	827	-166†	345
Q2	419	326	184	2	-	29	541	397	57	1 069	-225	253	1 154	-591	-303
Q3	415	339	13	140	-	18	510	408	113	1 347	-478	230	1 212	-695	-359
Q4	411	232	130	62	-	39	463	418	194	1 161	-341	164	1 178	-722	-357
1987 Q1	395	626	86	125	-	35	872	433	299	1 565	-299	270†	1 835†	-1 001	-394
Q2	393	332	226	56	-	2	616	442	66	1 312	-287	268	1 359	-792	-409
Q3	390	294	24	119	-	37	474	451	104	1 307	-284	200	1 327	-914	-549
Q4	388	92	92	104	-	21	309	461	101	1 035	-283	186	1 039	-803	-443
1988 Q1	395	336	51	87	-	5	479	467	387	1 265	-283	329	1 698	-1 291	-503
Q2	397	445	121	51	-	3	620	474	110	1 285	-270	335	1 460	-917	-395
Q3	398†	402†	65†	73†	-	60†	600†	481	140†	954†	-648†	198	644	-127	294†
Seasonally adjusted															
	CGJV	HHAC	HHAD	HBZA	CGPI	HHAE	HHAH	CGGV	CGEM	HHHT	HHHP	HHAG	CGHI	AIME	CGIR
1984 Q1	386	401	180	67	-	13	661	304	128	783	-	188	1 099	-356	-122
Q2	393	308	10	17	-	13	348	311	138	787	-	181	1 106	-676	-439
Q3	401	310	5	31	-	9	355	319	137	748	-	171	1 056	-619	-393
Q4	408	334	88	69	528	9	1 028	327	157	895	-	178	1 230	-121	133
1985 Q1	418	272	101	85	61	39	558	343	149	1 137	-	209	1 495	-862	-579
Q2	421	294	4	39	-	3	340	354	155	721	-	205	1 081	-674	-381
Q3	424	310	147	78	-	11	546	364	168	1 091	-	193	1 452	-846	-545
Q4	426	327	4	72	-	23	426	375	142	1 021	-166	177	1 174	-697	-429
1986 Q1	423	485	8	94	-	34	621	386†	151	936	-657	223	653	5†	342
Q2	419	391	184	2	-	29	606	397	127	1 069	-225	216	1 187	-559	-238
Q3	415	347	13	140	-	18	518	408	155	1 347	-478	256	1 280	-755	-351
Q4	411	162	130	62	-	39	393	418	223	1 161	-341	208	1 251	-865	-427
1987 Q1	395	604	86	125	-	35	850	433	156	1 565	-299	239†	1 661†	-849	-416
Q2	393	385	226	56	-	2	669	442	153	1 312	-287	214	1 392	-772	-356
Q3	390	293	24	119	-	37	473	451	145	1 307	-284	223	1 391	-979	-550
Q4	388	62	92	104	-	21	279	461	116	1 035	-283	248	1 116	-910	-473
1988 Q1	395	336	51	87	-	5	479	467	199	1 265	-283	291	1 472	-1 065	-503
Q2	397	445	121	51	-	3	620	474	170	1 285	-270	271	1 456	-913	-395
Q3	398†	402†	65†	73†	-	60†	600†	481	200†	954†	-648†	217	723	-206	294†

1 This series does not have the same coverage as that shown in Table 3.3 of *The Government Expenditure Plans 1988-1989 to 1990-1991 (Cm 288-II)*. The main differences are that the latter excludes the United Kingdom's contribution to the Community Budget expenditure on overseas aid (which is attributed to the aid programme) and includes the services credits shown in Table A5.

A8 Summary of transactions in UK external assets and liabilities[1]

£ million, not seasonally adjusted

	Transactions in external assets						Transactions in external liabilities					
	UK investment overseas			Deposits and lending overseas by UK residents other than banks and general government			Overseas investment in the United Kingdom					
	Direct	Portfolio	Lending etc to overseas residents by UK banks[2]		Official reserves	Other external assets of central government	Total	Direct	Portfolio	Borrowing etc from overseas residents by UK banks[2]	Borrowing from overseas by UK residents other than banks and general government	Other external liabilities of general government	Total	Net transactions
	HHBV	CGOS	HEYN	HETJ	AIPA	HEUJ	HEPZ	HHBU	HEYR	HEYS	HTEV	HEUR	HEQW	HEQU
1977	-2 399	12	-388	-1 092	-9 568	-389	-13 844	2 546	1 910	2 658	1 713	1 125	9 952	-3 892
1978	-3 520	-1 073	-1 193	-739	2 329	-181	-4 377	1 962	-139	-793	1 181	-705	1 506	-2 871
1979	-5 889	-887	-29 894	-2 323	-1 059	-137	-40 189	3 030	1 549	33 540	1 544	-217	39 446	-743
1980	-4 866	-3 310	-32 613	-2 710	-291	351	-43 439	4 355	1 499	33 549	758	-594	39 567	-3 872
1981	-6 005	-4 468	-39 919†	-2 889†	2 419	93	-50 769†	2 932	323	39 260	1 089	-206	43 398	-7 371†
1982	-4 091	-7 563	-20 540	-471	1 421	-161	-31 405	3 027	225	24 325	1 069	407	29 053	-2 352
1983	-5 417	-7 193	-18 394	704	607	-478	-30 171	3 386	1 888	21 137	-17	-584	25 810	-4 361
1984	-6 003	-9 866	-14 372	-1 962	908	-743	-32 038	-181	1 419	24 797	-1 706	-40	24 289	-7 749
1985	-8 653	-19 440	-21 835	-721	-1 758	-730	-53 137	4 213	7 121	29 461	3 390	23	44 208	-8 929
1986	-11 525	-25 236†	-53 809	-830	-2 891	-510	-94 801	4 176	8 015†	63 721	4 314†	178	80 404†	-14 397
1987	-15 372	6 973	-50 296	-4 682	-12 012	-797	-76 186	5 954†	10 094	52 806†	3 445	1 570†	73 869	-2 317
1980 Q1	-1 581	-527	-10 815	-1 106†	-457	88	-14 398†	1 303	33	11 258	344	88	13 026	-1 372†
Q2	-1 642	-323	-5 511	-554	-140	11	-8 159	861	988	6 190	180	-258	7 941	-218
Q3	-626	-1 140	-3 347	154	223	38	-4 698	941	533	3 379	-382	-121	4 350	-348
Q4	-1 017	-1 320	-12 940	-1 204	83	214	-16 184	1 250	-35	12 722	616	-303	14 250	-1 934
1981 Q1	-1 535	-1 450	-11 199	-696	-319	85	-15 114	377	8	9 905	485	40	10 815	-4 299
Q2	-1 328	-1 079	-6 737	-808	1 448	-30	-8 534	1 181	-138	5 444	-523	91	6 055	-2 479
Q3	-1 345	-809	-12 182	-710	1 167	30	-13 849	662	62	11 932	476	9	13 141	-708
Q4	-1 797	-1 130	-9 801†	-675	123	8	-13 272	712	391	11 979	651	-346	13 387	115
1982 Q1	-1 161	-1 961	-9 827	1 381	11	-42	-11 599	1 355	-185	11 306	-958	-143	11 375	-224
Q2	-840	-1 631	1 700	49	699	-15	-38	875	-107	-27	406	100	1 247	1 209
Q3	-1 031	-1 770	-14 920	-359	-288	-48	-18 416	529	-322	15 666	223	387	16 483	-1 933
Q4	-1 059	-2 201	2 507	-1 542	999	-56	-1 352	268	839	-2 620	1 398	63	-52	-1 404
1983 Q1	-1 958	-2 051	-7 279	118	652	-203	-10 721	636	310	7 830	87	-395	8 468	-2 253
Q2	-462	-2 011	2 085	411	-142	-74	-193	1 352	1 124	-1 393	-608	33	508	315
Q3	-1 568	-1 331	-8 315	-133	-33	-89	-11 469	1 191	367	10 137	81	109	11 885	416
Q4	-1 429	-1 800	-4 885	308	130	-112	-7 788	207	87	4 563	423	-331	4 949	-2 839
1984 Q1	-1 673	-3 800	-9 136	697	77	-262	-14 097	1 292	421	11 521	-330	144	13 048	-1 049
Q2	-636	-146	-7 499	-1 330	857	-151	-8 905	-2 940	-437	11 032	-857	151	6 949	-1 956
Q3	-1 854	-2 780	5 013	-1 122	279	-135	-599	1 497	347	-2 568	-75	236	-563	-1 162
Q4	-1 840	-3 140	-2 750	-207	-305	-195	-8 437	-30	1 088	4 812	-444	-571	4 855	-3 582
1985 Q1	-3 386	-6 503	-6 236	-992	90	-214	-17 241	2 287	1 292	9 420	129	142	13 270	-3 971
Q2	-1 725	-4 878	658	-89	-607	-186	-6 827	487	2 509	390	2 167	10	5 563	-1 264
Q3	-1 989	-3 706	-10 763	538	-49	-76	-16 045	699	897	8 744	-393	19	9 966	-6 079
Q4	-1 553	-4 353	-5 494	-178	-1 192	-254	-13 024	740	2 423	10 907	1 487	-148	15 409	2 385
1986 Q1	-782	-6 303	-8 857	938	-580	62	-15 522	1 134	914	11 607	-1 045†	135	12 745†	-2 777
Q2	-1 665	-7 130	-6 060	-661	-296	-153	-15 965	758	1 658	7 597	1 223	128	11 364	-4 601
Q3	-3 707	-6 537	-28 758	-1 327	-2 321	-160	-42 810	1 288	2 755	33 762	4 054	112	41 971	-839
Q4	-5 371	-5 266†	-10 134	220	306	-259	-20 504	996	2 688†	10 755	82	-197	14 324	-6 180
1987 Q1	-2 247	-2 502	-7 387	-1 950	-1 523	-213	-15 822	1 251	2 948	10 957†	1 091	-7†	16 240	418
Q2	-4 851	-46	-15 094	-451	-4 469	-159	-25 070	191†	1 666	20 614	648	765	23 884	-1 186
Q3	-5 910	-321	-16 994	-1 707	-269	-168	-25 369	1 995	4 253	13 352	1 322	27	20 949	-4 420
Q4	-2 364	9 842	-10 821	-574	-5 751	-257	-9 925	2 517	1 227	7 883	384	785	12 796	2 871
1988 Q1	-2 877†	-3 573	1 459	1 153	-653	-209†	-4 700	1 964	40	1 508	948	-425	4 035	-665
Q2	-4 049	-3 912	-8 838	-1 433	-631	-198	-19 061	877	721	14 080	2 198	172	18 048	-1 013
Q3	-3 368	-887	-16 545	-156	-995†	-213	-22 164	1 195	2 026	17 461	1 180	-113	21 749	-415

1 UK assets: increase-/decrease+. UK liabilities: increase+/decrease-.
2 Prior to 1979 foreign currency lending abroad (other than certain export credit extended) is recorded on a net basis under liabilities. Prior to 1982 includes transactions by 'other financial institutions', which are subsequently included in transactions by UK residents other than banks and general government.
3 Only partial coverage for the most recent quarter - see Table A12.

A9 Direct investment

£ million, not seasonally adjusted

	Investment overseas by UK residents (Transactions in assets)			Investment in UK by overseas residents (Transactions in liabilities)					
	All companies and miscellaneous			In non-oil companies		In oil companies			
	Unremitted profits	Other	Total direct investment	Unremitted profits	Other	Unremitted profits	Other	Miscellaneous	Total direct investment
	HHDR	HHDS	HHBV	CGLU	CGLM	HERX	HEYZ	CGLO	HHBU
1982	..	..	-4 091	766	371	371	1 399	120	3 027
1983	..	..	-5 417	1 047	1 016	167	1 071	85	3 386
1984	-4 885	-1 118	-6 003	1 409	612	936	-3 203	65	-181
1985	-4 698	-3 955	-8 653	1 644	300	2 079	100	90	4 213
1986	-4 409	-7 116	-11 525	857	1 246	513	1 410	150	4 176
1987	-7 105	-8 267	-15 372	1 693†	2 534	1 180	257	290	5 954†
1986 Q1	-870	88	-782	236	223	508	137	30	1 134
Q2	-1 006	-659	-1 665	333	197	374	-196	50	758
Q3	-1 200	-2 507	-3 707	390	146	257	475	20	1 288
Q4	-1 333	-4 038	-5 371	-102	680	-626	994	50	996
1987 Q1	-1 951	-296	-2 247	402	-30	798	-89	170	1 251
Q2	-1 735	-3 116	-4 851	655†	67	70	-651	50	191†
Q3	-1 804	-4 106	-5 910	637	1 093	99	136	30	1 995
Q4	-1 615	-749	-2 364	-1	1 404	213	861	40	2 517
1988 Q1	-1 769	-1 108†	-2 877†	470	520	364	550	60†	1 964
Q2	-1 241†	-2 808	-4 049	361	985†	110†	-599†	40	877
Q3	-1 726	-1 642	-3 368	875	376	329	-425	40	1 195

A10 Portfolio investment

£ million, not seasonally adjusted

	Investment overseas by UK residents (Transactions in assets)				Investment in UK securites by overseas residents (Transactions in liabilities)							
					British government stocks					UK companies' securities		
	UK banks	Other financial institutions[1]	Other	Total portfolio investment	Overseas monetary authorities	Other overseas residents	British government foreign currency notes and bonds	Local authorities' securities	Public corporations' securities	Bonds etc	Ordinary shares	Total portfolio investment
	HHAL	HHAM	HHAN	CGOS	AING	CGLV	HEZP	HHIG	HEZX	HGDY	HGDZ	HEYR
1982	-1 952	-5 172	-439	-7 563	-212	568	-115	-7	-139	71	59	225
1983	-2 751	-3 974	-468	-7 193	227	714	-	-10	12	-6	951	1 888
1984	-7 980	-2 069	183	-9 866	188	781	-342	-4	-229	-49	1 074	1 419
1985	-10 120	-7 238	-2 082	-19 440	1 482	1 438	294	-3	-10	2 545	1 375	7 121
1986	-7 515	-16 369	-1 352†	-25 236†	278	1 837	1 150	-1	-4	2 240†	2 515†	8 015†
1987	294	8 877†	-2 198	6 973	1 322	2 540†	-592	-1	-113	1 348	5 590	10 094
1986 Q1	-1 128	-5 013	-162	-6 303	-152	224	-52	-1	138	-48	805	914
Q2	-2 250	-4 587	-293	-7 130	344	424	12	-	-126	244	760	1 658
Q3	-2 728	-3 395	-414	-6 537	45	507	836	-	-7	1 086	288	2 755
Q4	-1 409	-3 374	-483†	-5 266†	41	682	354	-	-9	958†	662†	2 688†
1987 Q1	116	-1 466†	-1 152	-2 502	30	503†	-176	-1	-76	662	2 006	2 948
Q2	73	687	-806	-46	583	420	-40	-	4	-69	768	1 666
Q3	-112	708	-917	-321	1 302	941	-203	-	-40	223	2 030	4 253
Q4	217	8 948	677	9 842	-593	676	-173	-	-1	532	786	1 227
1988 Q1	-209	-2 245	-1 119	-3 573	481	-323	-23	-	4	-369	270	40
Q2	-1 180†	-2 708	-24	-3 912	70	368	160†	-	-9	143	-11	721
Q3	255	-329	-813	-887	-186†	-58	283	-†	-8†	460	1 535	2 026

1 Includes security dealers from 1984.

A11 Transactions of UK banks (excluding direct and portfolio investment)

£ million, not seasonally adjusted

	Transactions in external assets							Transactions in external liabilities					Net transactions		
	Foreign currency lending abroad			Sterling lending abroad				Borrowing and deposit liabilities abroad							
									Sterling						
	Identified long-term export credit	Other	Total	Identified export credit	Other	Total	Total	Foreign currency	Overseas authorities' exchange reserves	Other	Total	Total	Foreign currency	Sterling	Total
	HEZY	HEPG	HEZZ	HHIL	HCAE	HCAD	HEYN	HCAF	HCHE	CGDI	HEPD	HEYS	HCAG	HCAH	HCAI
1982	-821†	-15 700	-16 521†	-720	-3 299	-4 019	-20 540†	19 904	321	4 100	4 421	24 325	3 383†	402	3 785†
1983	-506	-15 656	-16 162	-893	-1 339	-2 232	-18 394	17 192	815	3 130	3 945	21 137	1 030	1 713	2 743
1984	-161	-9 278	-9 439	-215	-4 718	-4 933	-14 372	18 648	1 022	5 127	6 149	24 797	9 209	1 216	10 425
1985	505	-20 705	-20 200	90	-1 725	-1 635	-21 835	25 306	150	4 005	4 155	29 461	5 106	2 520	7 626
1986	699	-48 553	-47 854	-116	-5 839	-5 955	-53 809	58 116	-283	5 888	5 605	63 721	10 262	-350	9 912
1987	633	-46 291†	-45 658	518	-5 156	-4 638	-50 296	44 269†	1 681	6 856†	8 537†	52 806†	-1 389	3 899†	2 510
1986 Q1	265†	-7 063	-6 798†	-226	-1 833	-2 059	-8 857†	7 722	484	3 401	3 885	11 607	924†	1 826	2 750†
Q2	219	-5 748	-5 529	53	-584	-531	-6 060	8 458	-811	-50	-861	7 597	2 929	-1 392	1 537
Q3	282	-27 549	-27 267	19	-1 510	-1 491	-28 758	33 066	-8	704	696	33 762	5 799	-795	5 004
Q4	-67	-8 193	-8 260	38	-1 912	-1 874	-10 134	8 870	52	1 833	1 885	10 755	610	11	621
1987 Q1	263	-6 388	-6 125	97	-1 359†	-1 262†	-7 387	8 509	434	2 014†	2 448†	10 957†	2 384	1 186†	3 570
Q2	98	-15 216	-15 118	118	-94	24	-15 094	19 274†	-417	1 757	1 340	20 614	4 156	1 364	5 520
Q3	191	-14 557†	-14 366	158	-2 786	-2 628	-16 994	10 503	343	2 506	2 849	13 352	-3 863	221	-3 642
Q4	81	-10 130	-10 049	145	-917	-772	-10 821	5 983	1 321	579	1 900	7 883	-4 066	1 128	-2 938
1988 Q1	125	3 652	3 777	75	-2 393	-2 318	1 459	-1 809	540†	2 777	3 317	1 508	1 968	999	2 967
Q2	54	-4 270	-4 216	45	-4 667	-4 622	-8 838	5 282	836	7 962	8 798	14 080	1 066	4 176	5 242
Q3	64	-15 547	-15 483	72†	-1 134	-1 062	-16 545	14 752	-27	2 736	2 709	17 461	-731	1 647	916

A12 Transactions of UK residents other than banks and general government (excluding direct and portfolio investment)

£ million, not seasonally adjusted

	Transactions in external assets			Transactions in external liabilities			Net transactions		
	With banks abroad[1]	Other	Total	With banks abroad[1]	Other	Total	Public corporations	UK non-bank private sector	Total
	HESZ	HETE	HETJ	HETN	HETQ	HTEV	HETW	HETY	HETZ
1982	-598	127†	-471†	950	119	1 069	-232	830†	598†
1983	863	-159	704	38	-55	-17	-67	754	687
1984	-3 243	1 282	-1 962	-2 224	518	-1 706	-236	-3 432	-3 668
1985	-1 251	530	-721	2 662	728	3 390	295	2 374	2 669
1986	-2 787	1 956	-830	3 712†	602	4 314†	-120	3 604	3 484
1987	-5 335†	653	-4 682	1 941	1 504†	3 445	-138	-1 099	-1 237
1986 Q1	520	418†	938†	-1 149†	104	-1 045†	-138	31†	-107†
Q2	-1 217	555	-661	1 004	219	1 223	-16	578	562
Q3	-1 823	496	-1 327	3 639	415	4 054	24	2 703	2 727
Q4	-287	487	220	218	-136	82	10	292	302
1987 Q1	-2 447†	497	-1 950	311	780†	1 091	91	-951	-859
Q2	-811	360	-451	848	-200	648	-106	304	197
Q3	-1 690	-17	-1 707	474	848	1 322	-20	-365	-385
Q4	-387	-187	-574	308	76	384	-103	-87	-190
1988 Q1	1 551	-398	1 153	442	506	948	-16†	2 117	2 101
Q2	-1 675	242	-1 433	1 406	792	2 198	-147	912	765
Q3	-697	541	-156	371	809	1 180	-45	1 069	1 024

1 The figure for the most recent quarter is based on less information than earlier quarters, for which in particular 'cross border' data of overseas banks are also available via the IMF.

A13 Transactions of general government (excluding portfolio liabilities)

£ million, not seasonally adjusted

	Transactions in external assets					Transactions in external liabilities								
								Borrowing from banks etc overseas by						
	Official reserves	Inter-government loans by UK	Export credit	Other	Total	IMF	Inter-government loans to UK	HM Government	Local authorities[1]	Treasury bills	Non-interest bearing notes	Other	Total	Net transactions
	AIPA	HEUC	HEPF	HHIC	HEUI	AION	HEUL	HCJN	HEUQ	AARB	HCHO	HHIB	HEUR	HCCG
1982	1 421	30†	53	-244	1 260	-163	-87†	-	40	132	36	449	407	1 667
1983	607	12	-235	-255	129	-36	-97	-	57	30	-12	-527	-584	-455
1984	908	65	-603	-205	165	-	-103	-	48	145	-21	-109	-40	125
1985	-1 758	52	-573	-209	-2 488	-	-87	-	85	-13	28	10	23	-2 465
1986	-2 891	69	-352	-227	-3 401	-	-87	-	99	207	-248	206	178	-3 223
1987	-12 012	84	-671	-209	-12 809	-	-69	-	98	1 104	273	164†	1 570†	-11 239†
1986 Q1	-580	-†	106	-44	-518	-	-†	-	47	-49	93	44	135	-383
Q2	-296	14	-130	-37	-449	-	-1	-	43	-11	-52	150	128	-321
Q3	-2 321	17	-141	-36	-2 481	-	-	-	18	93	-13	14	112	-2 369
Q4	306	38	-187	-110	47	-	-86	-	-9	174	-276	-1	-197	-150
1987 Q1	-1 523	21	-149	-85	-1 736	-	-	-	7	-11†	131	-134	-7†	-1 743†
Q2	-4 469	22	-164	-17	-4 628	-	-1	-	96	375	179	116	765	-3 863
Q3	-269	23	-144	-47	-437	-	-	-	-6	40	-39	32	27	-410
Q4	-5 751	18	-214	-60	-6 008	-	-68	-	1	700	2	150†	785	-5 223
1988 Q1	-653	23	-148	-83	-862†	-	-	-	22	-335	-29	-83	-425	-1 287
Q2	-631	19	-156	-60	-829	-	-	-†	-12	179	53	-48	172	-657
Q3	-995†	17	-169†	-61†	-1 208	-†	-	-	-6†	-119	-†	12	-113	-1 321

1 Including Northern Ireland central government.

THE EFFECTS OF TAXES AND BENEFITS ON HOUSEHOLD INCOME, 1986

The main results are:

(i) The effect of government expenditure and taxation is to reduce the differences in income among households. In 1986 taxes and benefits (including NI pensions) increased the share of total income of the bottom fifth of households from 0.3 per cent of original income to 6.3 per cent of final income. Cash benefits play the largest part in reducing income differences.

(ii) The joint impact of taxes and benefits is greatest for retired households and for those non-retired households containing no economically active people.

(iii) Between 1975 and 1986, the distribution of income before taxes and benefits has become more unequal; though growth in cash benefits helped to offset this trend.

(iv) Some 90 per cent of original income (ie before taxes and benefits come into play) comes from earnings; investment income accounts for five per cent as does income from occupational pensions and annuities.

Introduction

The aim of this analysis is to examine how the distribution of income amongst households in the UK is modified as a result of Government expenditure and taxation. During 1986 the Government raised and spent £162 billion; most of this revenue was raised, directly or indirectly, from UK households who also benefited, directly or indirectly, from the associated Government expenditure. Although greater equality of incomes is not necessarily a primary aim of this process, it is nevertheless one of its consequences. The article is the latest in an annual series published in *Economic Trends* since the early 1960's. Each year the article covers the same main ground but also has a special topic. New material this year looks at the components of original income ie income received by households before Government intervention of any sort.

The contents are as follows:

Part I	Detailed description of results for 1986 for all households, and for retired and non-retired households separately.
Part II	Detailed breakdown of original income.
Appendix 1	Detailed tables with results for different types of household, and fine breakdown of income components.
Appendix 2	Methodology and Definitions.

The 1986 results are presented in one article, unlike the two previous years which were published in two parts at different times of the year. This article is somewhat later than originally planned because the main data source, the 1986 Family Expenditure Survey (FES), was revised. The unit of analysis is the household, rather than the individual or the tax unit. The figures in the tables in the main body of the article are rounded to the nearest £10. This analysis gives a snapshot of households at various stages in their lifecycles: nearly everyone has less income when elderly than at their peak earning age.

The figures in this article are essentially free standing. Because of changes in definitions each year (eg in the income components), great caution is needed when comparing results for different years: the smaller the group of households, the larger the risk involved. However, some summary items like the Gini coefficients in this article are relatively robust and will stand up to comparisons with earlier years.

Summary of methodology and sources

Chart 1 illustrates the stages of redistribution which form the structure of this analysis. Initially, households receive income from various non-governmental sources: from their employment (wages and salaries; self-employment income); from occupational pensions; from their investments; from other households (eg gifts and alimony payments) and from private non-profit-making institutions such as charities. Total income from these sources constitutes original income. The flow chart shows the various ways in which Government then raises revenue from households and distributes benefits to them both in cash and in kind.

It is not possible to allocate the whole of government revenue and expenditure to households (Chart 2). For some items, such as the Government Borrowing Requirement, such an allocation would be inappropriate; for others, the data required to do so are not available, for example expenditure on personal social services. In all, 63 per cent of government financing (including the Borrowing Requirement) and 52 per cent of expenditure are allocated to households in this analysis. Since the total amount of revenue allocated exceeds the total amount of benefits, less significance should be attached to the exact figures of cash 'gains' and 'losses' than to the broad patterns of redistribution, particularly in the middle income ranges.

The main source of data for this analysis is the Family Expenditure Survey (FES) 1986. This is a continuous household survey which collects information on the income, expenditure and direct tax payments of each household member aged 16 years and over, and on household composition and other characteristics such as tenure. In 1986 some 7,200 households participated in the UK - about 1 in every 3000 households. Studies have indicated that the FES suffers from some non-response bias, for example through under-representation of the very top of the income distribution, the elderly and the self-employed. However, in general, comparisons of survey results over successive years justify confidence in their general reliability, and examination of the characteristics and expenditure and income patterns of various groups of households shows a high degree of internal consistency. The data presented in this article have not been reweighted to take account of non-response bias.

The whole analysis is done within the framework of the National Accounts. Various consumers' expenditure aggregates are used as a guide when calculating indirect taxes. Many items (eg earnings from employment, child benefit) are lifted directly from the FES, and National Accounts totals are used to check their validity. Tables 1 and 2 in Appendix 1 give government expenditure and its financing from 1986, derived from the National Accounts.

CHART 1

Stages of redistribution

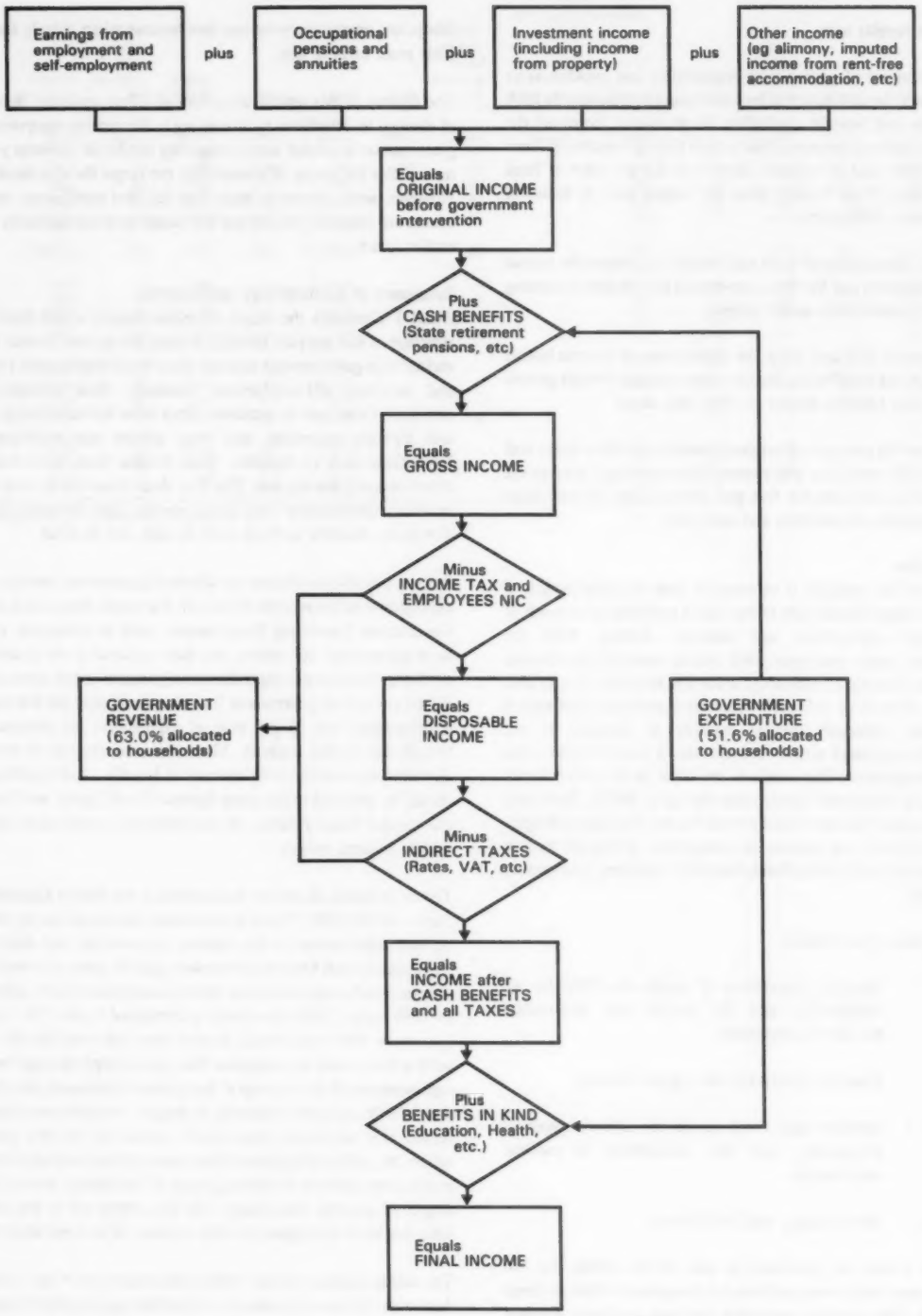
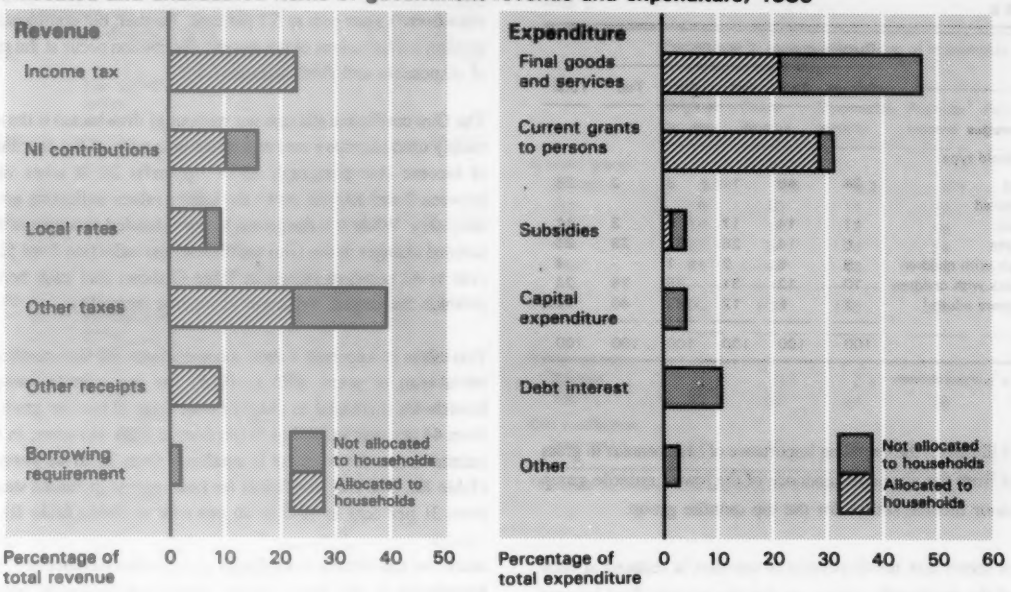

Earnings from employment and self-employment
plus
Occupational pensions and annuities
plus
Investment income (including income from property)
plus
Other income (eg alimony, imputed income from rent-free accommodation, etc)
Equals ORIGINAL INCOME before government intervention
Plus CASH BENEFITS (State retirement pensions, etc)
Equals GROSS INCOME
Minus INCOME TAX and EMPLOYEES NIC
GOVERNMENT REVENUE (63.0% allocated to households)
Equals DISPOSABLE INCOME
GOVERNMENT EXPENDITURE (51.6% allocated to households)
Minus INDIRECT TAXES (Rates, VAT, etc)
Equals INCOME after CASH BENEFITS and all TAXES
Plus BENEFITS IN KIND (Education, Health, etc.)
Equals FINAL INCOME

CHART 2

Allocated and unallocated items of government revenue and expenditure, 1986



PART I

RESULTS FOR ALL HOUSEHOLDS

The level of original income varies widely between households. Table A shows this and other income measures for quintile groups ranked by original income (the lowest quintile group contains the 20 per cent of households with the lowest original incomes). Only one in thirty of households in the lowest quintile group has one or more economically active people and hence the average original income is almost zero (£130 per annum). In the highest quintile group, there are an average of 2.2 economically active people and average original income is £24,790. In the lowest quintile group, nearly two thirds of households are retired (Table B) - defined as households where at least half the total gross income comes from retired people - and the majority of these have virtually no original income since the state retirement pension (including any graduated or additional pension) is a cash benefit.

Summary of the effects of taxes and benefits, 1986

TABLE A

	Quintile groups of households ranked by original income					Average over all households
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Original income	130	2 800	8 030	13 180	24 790	9 790
plus cash benefits	3 370	2 730	1 250	870	680	1 780
Gross income	3 500	5 520	9 280	14 060	25 470	11 570
less income tax[1] and employees' NIC	-10[2]	330	1 490	2 710	5 650	2 030
Disposable income	3 510	5 200	7 790	11 350	19 820	9 530
less indirect taxes	880	1 540	2 280	2 900	4 250	2 370
Income after cash benefits and all taxes	2 620	3 650	5 520	8 450	15 560	7 160
plus benefits in kind	1 510	1 500	1 500	1 670	1 700	1 570
Final income	4 130	5 150	7 020	10 120	17 260	8 740
Percent that are public sector tenants	*59*	*37*	*22*	*12*	*5*	*27*
Average per household (number)						
Children (i.e. aged under 16)	0.4	0.4	0.7	0.8	0.7	0.6
Adults	1.4	1.7	1.9	2.2	2.6	2.0
People in full-time education	0.3	0.3	0.5	0.7	0.7	0.5
Economically active people	-	0.6	1.2	1.8	2.2	1.2
Retired people	0.8	0.8	0.3	0.1	0.1	0.4

[1] After tax relief at source on mortgage interest and life assurance premiums.
[2] Negative average tax payment results largely from imputed tax relief on life assurance premiums paid by those with nil or negligible tax liabilities.

The composition of each quintile group of households ranked by original income, 1986

TABLE B

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
Percentages						
Household type						
Retired	64	46	11	3	2	25
Non-retired						
1 adult	11	14	17	8	3	11
2 adults	6	14	26	31	29	21
1 adult with children	9	6	2	1	-	4
2 adults with children	10	12	31	35	25	23
3 or more adults[1]	2	6	12	23	40	17
Total	100	100	100	100	100	100

[1] With or without children.

Chart 3 illustrates the declining importance of cash benefits in gross income from the virtual dependence of the lowest quintile group to a minor income source for the top quintile group.

Chart 4 shows how the dispersion of incomes is reduced at each stage of the tax-benefit system, so that the average final income for each quintile group ranges from £4,130 to £17,260, a ratio of about 1:4 compared with the ratio for original incomes of about 1:190.

An alternative way to illustrate the extent of income redistribution is to examine how income shares are modified by the tax-benefit system (Table C). For example, households in the highest quintile group receive 51 per cent of all original income. After taking into account cash benefits, this group's share falls to 44 per cent. At the other end of the scale, the share of the lowest quintile group rises from 0.3 per cent to 5.3 per cent. Further, but comparatively smaller, compressions of the income distribution occur at the stages of disposable and final income.

The Gini coefficient (though not without its drawbacks) is the most widely used summary measure of the inequality of the distribution of income (see paragraph 36 of Appendix 2). It takes values between 0 and 100 per cent - the higher values indicating greater inequality. While it is dangerous to draw detailed conclusions from isolated changes in the Gini coefficient, the reduction from 52 per cent to 40 per cent shown in Table C shows that cash benefits produce the largest reduction in income inequality.

Two tables in Appendix 1 show income shares and Gini coefficients for a span of years, 1975 to 1986. The top quintile group of households increased its share of total original income gradually from 44 per cent in 1975 to 51 per cent in 1986. However, in final income terms the increase is smaller - from 38 to 42 per cent. (Table 10). The Gini coefficient for final income increased steadily from 31 per cent in 1975 to 36 per cent in 1986 (Table 11).

Attention has already been drawn to the preponderance of retired households in the lower ranges of the distribution of original income; nearly two-thirds of the households in the lowest quintile group and almost half of those in the second quintile group are retired (Table B). The income pattern of the retired is very different from that of households whose head is of working age, as is their expenditure pattern (which is reflected in their indirect tax payments). For this reason in the detailed examination of each stage of the tax-benefit system which follows, retired and non-retired households are analysed separately.

CHART 3

Sources of gross income, by quintile group of original income, 1986

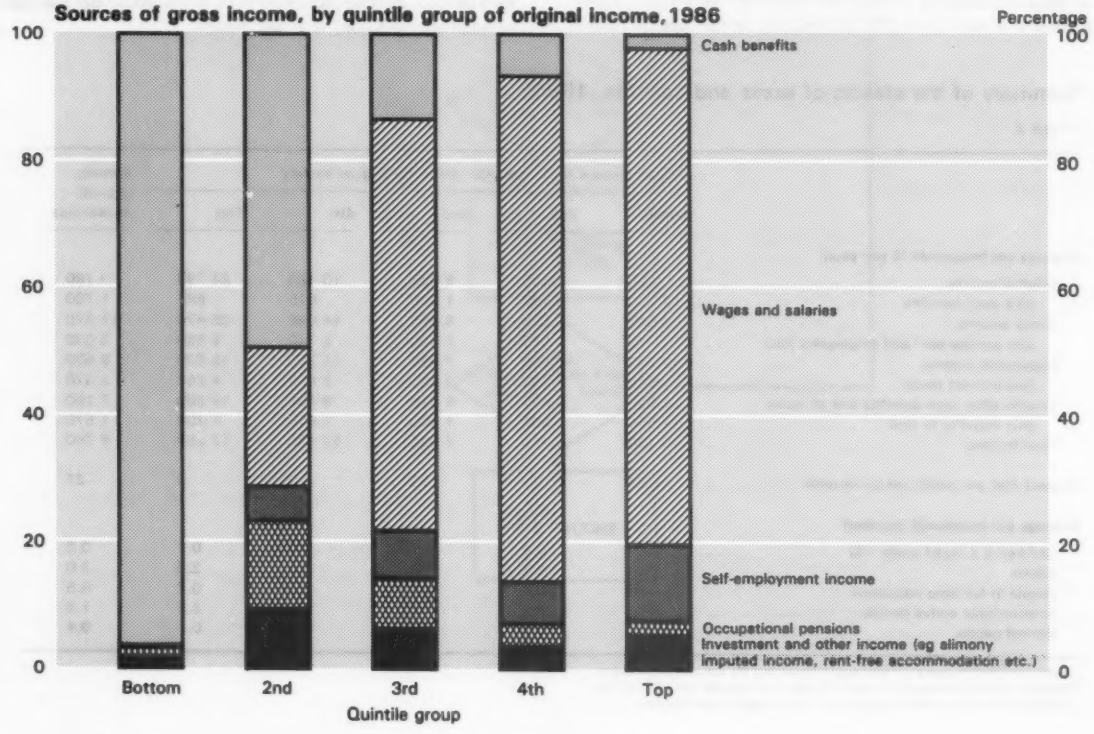
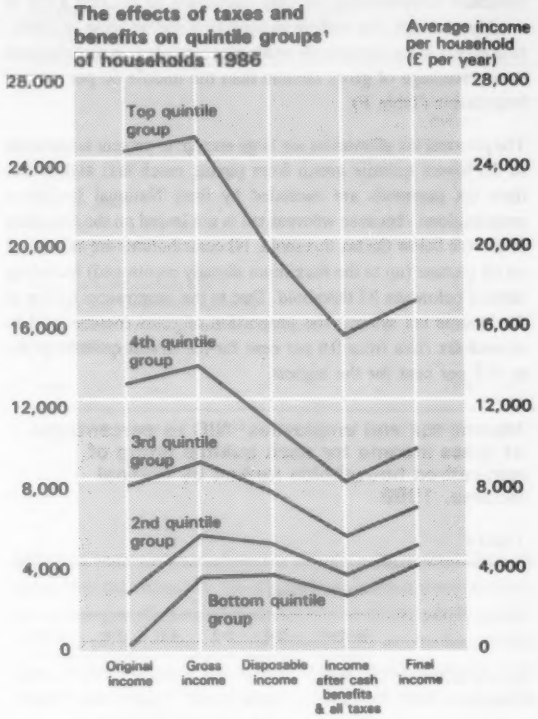


CHART 4

The effects of taxes and benefits on quintile groups[1] of households 1986



1. Households are ranked throughout by their original incomes

Percentage shares of total household income, 1986

TABLE C

	Percentage in each quintile group of households re-ranked at each stage				
	Original income	Gross income	Disposable income	Post-tax[1] income	Final income
Quintile group					
Bottom	0.3	5.3	6.2	5.1	6.3
2nd	6	10	11	10	11
3rd	16	16	17	16	17
4th	27	24	24	24	24
Top	51	44	42	45	42
Total	100	100	100	100	100
Decile group					
Bottom		2.1	2.6	1.6	2.2
Top	32	28	26	28	26
Gini coefficient (percent)	52	40	36	40	36

[1] Income after cash benefits and all taxes but before benefits in kind.

RESULTS FOR NON-RETIRED HOUSEHOLDS

Original income

The distribution of original income amongst non-retired households is more equal than amongst all households, ranging from an average of £1,400 per annum in the lowest quintile group to £27,140 in the highest (Table D), a ratio of 1:19 compared to the ratio of 1:191 for the distribution over all households. The relationship between the original income of a household and the number of economically active people it contains is again very strong, and this point is discussed in more detail at the end of this section.

Summary of the effects of taxes and benefits on non-retired households, 1986

TABLE D

	Quintile groups of non-retired households ranked by original income					Average over all house-holds
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Original income	1 400	6 820	10 930	15 290	27 140	12 320
plus cash benefits	3 210	1 270	890	720	640	1 340
Gross income	4 610	8 090	11 820	16 020	27 770	13 660
less income tax[1] and employees' NIC	90	1 110	2 160	3 210	6 220	2 560
Disposable income	4 520	6 980	9 660	12 800	21 550	11 100
less indirect taxes	1 330	2 100	2 630	3 180	4 550	2 760
Income after cash benefits and all taxes	3 190	4 880	7 040	9 620	17 000	8 340
plus benefits in kind	1 900	1 540	1 680	1 640	1 730	1 700
Final income	5 080	6 410	8 710	11 270	18 730	10 040
Percent that are public sector tenants	*58*	*27*	*18*	*9*	*4*	*23*
Average per household (number)						
Children (i.e. under 16)	0.9	0.7	0.9	0.8	0.7	0.8
Adults	1.6	1.9	2.1	2.3	2.6	2.1
People in full-time education	0.7	0.6	0.7	0.7	0.7	0.7
Economically active people	0.5	1.3	1.7	2.0	2.3	1.5
Retired people	0.1	0.2	0.1	0.1	0.1	0.1

[1] After tax relief at source on mortgage interest and life assurance premiums.

Cash benefits

Cash benefits are of two types: contributory, paid from the National Insurance Fund to which individuals and their employers make contributions while working, and non-contributory (Table E). For non-retired households, non-contributory benefits form the most important source of cash benefit income. The major item, child benefit, is spread fairly evenly over the income distribution, in proportion to the number of children per household (Table D). The other non-contributory benefits are mainly means-tested, in particular Supplementary Benefit, and so payments are concentrated in the lowest quintile group, although the presence of some individuals with low incomes in high income households means that some payments are recorded further up the income distribution. Even the contributory benefits, for which contribution records rather than income are the criteria for payment, are highest for the bottom quintile group because payment generally results from curtailment of employment income for one reason or another. On average, cash benefits formed 10 per cent of the gross income of non-retired households: their payment resulted in a significant reduction in income inequality.

Average value of cash benefits for each quintile group of non-retired households ranked by original income, 1986

TABLE E

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
£ per household						
Contributory						
Retirement pension	270	250	160	110	100	180
Sickness/ injury related	360	170	100	70	60	150
Unemployment benefit	140	110	60	50	40	80
Other	150	80	50	30	30	70
Total contributory	920	620	370	260	220	480
Non-contributory						
Supplementary benefit	1150	140	60	60	50	290
Child benefit	380	280	340	310	280	320
Rent rebates/ allowances	490	70	10		10	120
Sickness/ disablement related	150	80	50	30	40	70
Other	130	80	60	60	40	70
Total non-contributory	2290	650	520	470	420	870
Total cash benefits	3210	1270	890	720	640	1340
Cash benefits as a percentage of gross income	70	16	8	5	2	10

Although the Housing Benefit scheme, which came into operation between November 1982 and April 1983, combined the former systems of rent rebates/allowances and rate rebates, these two forms of housing assistance continue to be treated differently in the national accounts and thus in this article too. Rent rebates and allowances appear as cash benefits whereas rate rebates are treated as reductions in indirect taxation since domestic rates payments are conventionally treated as indirect taxation.

Income tax and National Insurance contributions

Both income tax payments and employees' National Insurance contributions are closely related to the size of original income. The payments by households of employees' National Insurance contributions in particular vary with the number of persons in employment and with their earnings. However, since National Insurance contributions are only calculated on the first £285 of weekly earnings (the ceiling in operation during most of 1986), households in the top quintile group pay rather less in contributions as a percentage of gross income than the middle 60 per cent of households (Table F).

The personal tax allowances are large enough to prevent households in the lowest quintile group from paying much tax, and in fact their tax payments are exceeded by their National Insurance contributions - because whereas tax is not levied on the first slice of income below the tax threshold, NI contributions are calculated on all income (up to the maximum already mentioned) including income below the NI threshold. Due to the progressive nature of the income tax system, the proportion of gross income paid in income tax rises from 0.8 per cent for the lowest quintile group to 17.3 per cent for the highest.

Income tax and employees' NIC as percentages of gross income for each quintile group of non-retired households ranked by original income, 1986

TABLE F

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
Income tax[1]	0.8	8.4	12.2	13.9	17.3	13.4
Employees' NIC	1.1	5.3	6.1	6.2	5.1	5.3
Total	1.9	13.7	18.2	20.1	22.4	18.7

[1] After tax relief at source on mortgage interest and life assurance premiums.

Indirect taxes

In total, indirect taxes expressed as a proportion of disposable income fall as original income rises (Table G), ranging from 30 per cent in the bottom two quintile groups to 21 per cent in the highest, though the highest quintile pay most in indirect taxes in absolute terms. However, individual taxes have divergent effects.

Domestic rates, tobacco duty, beer duty and intermediate taxes (see box below) all fall as a percentage of disposable income as income rises, even though domestic rates payments are reduced considerably by rebates particularly for the bottom quintile group. The fall in tobacco duty payments as a percentage of income is particularly marked. This is because low income households spend broadly as much in duty payments on tobacco as high income households. Car ownership however increases with income and therefore so does the related expenditure as a proportion of total expenditure, in the form of car tax, vehicle excise duty and duty on hydrocarbon oils.

INTERMEDIATE TAXES

Some indirect taxes, such as VAT and excise duties on petrol, alcohol, tobacco, etc. have a direct effect on the final price of goods and services. However, the producers of these goods and services also incur costs such as employers' National Insurance contributions, non-domestic rates, and duty on hydrocarbon oils, part of which they may pass on to households in the price of their products. These are called intermediate taxes.

Indirect taxes as a percentage of disposable income for each quintile group of non-retired households ranked by original income, 1986

TABLE G

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
Domestic rates[1]	4.0	5.2	4.3	3.8	2.9	3.7
VAT	7.7	8.4	7.8	7.8	7.3	7.7
Duty on beer	1.0	1.2	1.1	1.0	0.8	1.0
Duty on wines and spirits	0.8	0.9	0.9	0.9	1.0	0.9
Duty on tobacco	5.5	3.4	2.6	1.8	1.1	2.2
Duty on hydrocarbon oils	1.4	1.9	1.8	1.8	1.5	1.7
Car tax and vehicle excise duty	0.7	1.1	1.1	1.1	0.9	1.0
Other taxes on final goods and services	2.0	1.7	2.0	1.4	1.0	1.4
Intermediate taxes	6.3	6.3	5.5	5.2	4.7	5.3
Total	29.5	30.1	27.2	24.8	21.1	24.9

[1] Net of rate rebates and the rates element of housing benefit supplement, but including water, etc. charges.

Although some indirect taxes are broadly progressive, Table G shows that the impact of virtually all the indirect taxes declines for the top quintile group compared with the fourth quintile group. This is so partly because it is likely that higher income households spend a smaller proportion of their income than households with smaller incomes. If the incidence of indirect taxes were to be expressed in terms of expenditure rather than income, they can be shown to be rather more progressive.

Benefits in kind

Government current expenditure in providing certain goods and services to households either free at the time of use or at subsidised prices is converted by imputation into the equivalent of an income flow to individual households in order to arrive at final income. The largest two items for which such imputations are made are the health and education services, which together accounted for 22.3 per cent of total general government expenditure in 1986. Other items for which imputations are made are school meals and milk, the housing subsidy and travel subsidies, together accounting for a further 2.1 per cent of general government expenditure.

Average value of benefits in kind for each quintile group of non-retired households ranked by original income, 1986

TABLE H

	Quintile group					
	Bottom	2nd	3rd	4th	Top	Total
£ per household						
Education	930	710	840	850	870	840
National health service	680	680	730	680	730	700
Housing subsidy	140	60	40	30	10	60
Travel subsidies	30	50	40	60	110	60
School meals and milk	110	30	30	20	20	40
Total	1900	1540	1680	1640	1730	1700
Benefits in kind as a percentage of post-tax[1] income	60	32	24	17	10	20

[1] Income after cash benefits and all taxes.

Education benefit to individual households is imputed by reference to the number of pupils and students in the households (students living away from home are not included as part of their parents' household), and to the type of education they are receiving, though no allowance is made for differing costs between local authorities. The bottom quintile group contains the largest number of student households for whom the costs of education are greatest. The result is that the lowest quintile group is allocated the highest average imputed benefit (Table H). The impact of expenditure on school meals and milk is greatest in the lower income groups since children from these households are more likely to take school meals and to have them provided free of charge.

Data are available on the average cost to the Exchequer of providing the various types of health care - hospital inpatient/outpatient care, GP consultations, dental services etc - and it is possible to estimate the use made of each service on average by individuals of different age and sex. Using this information, an imputed benefit from the health service can be allocated to each individual in the FES sample. These benefits are then aggregated for members of the household to yield figures on a household basis, so that not only the sex and age composition but also the size of the household determines the attribution of health service benefits.

Age and sex are by no means the only possible determinants on which to base the allocation, but age is certainly a very important factor. Data availability also limits the choice of determinants - the FES collects little information on health or use of health services. Table H indicates that these benefits show little variation with income, on the assumption that the use made of the national health service depends on age and sex regardless of the level of income.

Housing subsidy is the sum of Exchequer Subsidy and local authority determined rate fund contributions to the housing revenue account. Thus housing subsidy as defined here has been spread between public sector tenants, and since such households tend to be concentrated in the lower half of the income distribution this is where the subsidy is highest. In these articles, tax relief on mortgage interest is treated as an adjustment to income tax, not as part of the housing subsidy analysed in Table H.

Travel subsidies cover the passenger element of the grants made to various public transport operations covering both buses and railways. The use of public transport by non-retired households is partly related to the need to travel to work and thus to the number of economically active people in a household and so the combined effect of these travel subsidies increases over the income distribution. The heavy use of railways by households in the top quintile group, particularly commuters, means that their imputed benefit in nearly twice the average of all households.

Table H shows that taken together the absolute values of these benefits in kind show no clear relationship with household income, given the assumptions made in making the imputations. However as a proportion of post-tax income, benefits decrease from 60 per cent in the lowest quintile group to 10 per cent in the highest quintile group, indicating that this expenditure contributes to the reduction in income inequality.

Percentage shares of total household income for non-retired households, 1986

TABLE J

	Percentage in each quintile group of non-retired households re-ranked at each stage				
	Original income	Gross income	Disposable income	Post-tax[1] income	Final income
Quintile group					
Bottom	2.3	6.3	7.2	5.7	6.7
2nd	11	12	13	12	13
3rd	18	17	18	17	18
4th	25	24	23	23	23
Top	44	41	39	42	39
Total	100	100	100	100	100
Decile group					
Bottom	0.1	2.3	2.7	1.7	2.2
Top	28	25	24	26	24
Gini coefficient (percent)	42	35	32	36	33

[1] Income after cash benefits and all taxes but before benefits in kind.

The overall effect of the various stages of the tax-benefit system on non-retired households is summarised in Table J. Households in the highest quintile group receive 44 per cent of all original income, compared with 2 per cent received by the lowest quintile group. However after taxes and benefits are taken into account, the share of the lowest quintile group rises to 7 per cent and that of the highest falls to 39 per cent. Cash benefits are the major factor underlying these changes, causing the Gini coefficient to fall from 42 per cent based on original income to 35 per cent based on gross income. Income tax and employees' National Insurance contributions produced a further reduction in inequality, but payment of indirect taxes increases inequality. Benefits in kind reduce income dispersion.

As already mentioned, the size of original income is largely determined by the number of economically active people in the household - even though someone may be defined as economically active if they have been out of work for up to a year as long as they are seeking work. This relationship between income and economic activity amongst non-retired households is explored further in Table K, in which households are classified according to the number of economically active people they contain.

Original income ranges from an average of £1,200 per annum in households where there are no economically active people to an average of £21,120 in households where there are three or more. Cash benefits are concentrated in households where no-one is economically active and here they form 75 per cent of gross income; but they remain substantial, at 13 per cent of gross income, for those where one household member is economically active. This latter group will contain a number of households where no-one is currently in work.

Not only does average original income differ widely between these four household groups but they also differ considerably in the degree of variation of income within the groups. As measured by the Gini coefficient, variability in original income is very high amongst households where no-one is economically active but where two or more persons are economically active the variability is considerably less. Equally, the tax-benefit system has the effect

Average incomes, taxes and benefits by the number of economically active people per non-retired household, 1986

TABLE K

	Number of economically active people[1] per household			
	None	One	Two	Three or more
Number of households in the sample	*639*	*1 989*	*2 123*	*615*
Average per household (£ per year)				
Original income	1 200	9 470	15 780	21 120
plus cash benefits	3 530	1 370	790	920
Gross income	4 730	10 840	16 560	22 040
less income tax and employees' NIC	80	2 000	3 260	4 490
Disposable income	4 650	8 840	13 300	17 560
less indirect taxes	1 270	2 280	3 120	4 560
Income after cash benefits and all taxes	3 380	6 540	10 180	13 000
plus benefits in kind	2 000	1 550	1 620	2 140
Final income	5 370	8 090	11 800	15 140
Gini coefficients (per cent)				
Original income	*87*	*39*	*28*	*24*
Gross income	*30*	*32*	*26*	*22*
Final income	*35*	*33*	*26*	*22*

[1] Economically active people comprise employees, the self-employed and others not in employment but who are seeking or intending, when able, to seek work.

of substantially reducing inequality between the different types of households within the economically inactive group. This results largely from the diverse nature of the economically inactive group, which ranges from single parents with young children, single full-time students, the disabled, and households where no member has been able to find work during the 12 months prior to interview, to a small number of households where income from other sources such as investments means that they have no need to work.

RESULTS FOR RETIRED HOUSEHOLDS

Retired households have quite distinct income and expenditure patterns and so the tax-benefit system affects them in a different way to non-retired households (Table L). Few retired households have substantial original income; those who do are concentrated in the top quintile group and are receiving occupational pensions. The majority of retired households are dependent on cash benefits, in the form of state retirement pensions and, particularly in the bottom quintile group, income-related benefits such as rent rebates and allowances and Supplementary Pension.

Thus cash benefits form a very high proportion of gross income for all but the better-off retired households. However, unlike non-retired households, the bulk of these cash benefits are paid from the National Insurance Fund into which the recipients will have made contributions throughout their working lives.

People over pensionable age do not pay National Insurance contributions so the small payments recorded are made by non-retired people living in households defined as retired (see Appendix 2 paragraph 7 for details of definition). All households except those in the highest quintile group of retired households pay very little income tax, because their income is unlikely to exceed their tax allowances unless they have significant income from investments or occupational pensions in addition to their state retirement pension. The largest indirect tax payment made by retired households is VAT; their payments of domestic rates are reduced by rebates particularly in the lower half of the income distribution.

Retired households derive significant benefits from health services and, to a lesser extent, the housing subsidy and travel subsidies, though of course virtually none from the education service. Health benefit is spread fairly evenly within the group of retired households, as a result primarily of the attribution method used, but housing subsidy is substantially higher for low income households since they are more likely to be public sector tenants. The benefits received by retired households from travel subsidies are mainly for bus travel, particularly in the form of concessionary fares, passes, etc, for senior citizens, and since these are not usually means-tested but depend instead on what sort of scheme is being operated by their local authority, there is no particular relationship with income.

Effects of taxes and benefits on retired households, 1986

TABLE L

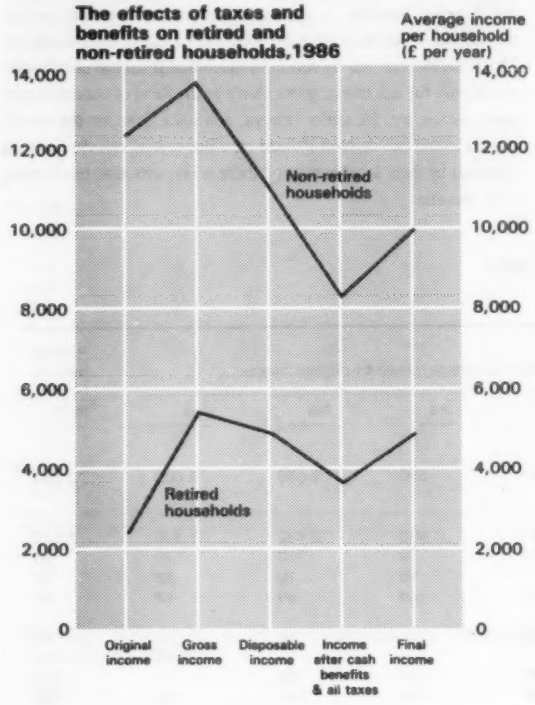
	Quintile groups of retired households ranked by original income					Average over all households
	Bottom	2nd	3rd	4th	Top	
Average per household (£ per year)						
Original income	-	150	680	2 030	8 600	2 290
plus cash benefits						
Contributory						
Retirement pensions	2 230	2 380	2 450	2 630	2 500	2 440
Sickness/ injury related	80	30	70	130	120	80
Unemployment benefit	-	-	10	10	20	10
Other	10	40	50	40	40	40
Non-contributory						
Supplementary benefit	180	140	60	20	10	80
Child benefit	10	-	-	-	10	-
Rent rebates/ allowances	530	400	210	60	-	240
Sickness/ disablement related	130	80	100	120	100	100
Other	80	60	70	80	80	80
Gross income	3 260	3 270	3 700	5 110	11 480	5 360
less income tax[1]	-10	10	50	310	2 030	480
less employees' NIC	-	-	-	-	20	10
Disposable income	3 270	3 270	3 650	4 800	9 420	4 880
less indirect taxes						
Domestic rates	140	160	250	370	540	290
VAT	160	180	200	310	650	300
Tobacco duty	80	60	100	110	90	90
Other taxes on final goods and services	130	170	200	280	540	260
Intermediate taxes	170	190	210	280	530	280
Income after cash benefits and all taxes	2 590	2 500	2 680	3 460	7 060	3 660
plus benefits in kind						
Education	20	-	-	10	60	20
National health service	1 000	1 070	1 010	1 070	1 060	1 050
Housing subsidy	140	100	80	70	20	80
Travel subsidies	60	70	60	80	70	70
Final income	3 810	3 730	3 840	4 700	8 280	4 870

[1] After tax relief at source on mortgage interest and life assurance premiums.

Table M shows the extent to which income inequality amongst retired households is reduced by the tax-benefit system. Cash benefits play by far the largest part in bringing about this reduction and income tax payments make a further, though much smaller, contribution. Payments of indirect taxes and receipts of benefits in kind produce only a marginal reduction in dispersion and so the distribution of final income is little changed from the distribution of disposable income.

A comparison of Table M with Table J shows that although the distribution of original income amongst retired households is much more unequal than that within the non-retired household group, the distribution of final income is more equal amongst the retired than amongst the non-retired. Chart 5 illustrates the different impact which the tax-benefit system has on retired and non-retired households.

CHART 5



Percentage shares of total household income for retired households, 1986

TABLE M

	Percentage in each quintile group of retired households re-ranked at each stage				
	Original income	Gross income	Disposable income	Post-tax[1] income	Final income
Quintile group					
Bottom . .	-	9.1	9.9	7.8	9.3
2nd	1	12	13	13	14
3rd	6	15	16	16	17
4th	18	20	21	21	22
Top	75	44	40	42	37
Total	100	100	100	100	100
Decile group					
Bottom . .	-	4.1	4.5	2.6	3.5
Top	54	29	25	27	23
Gini coefficient (percent) . .	73	34	30	33	28

[1] Income after cash benefits and all taxes but before benefits in kind.

PART II

DETAILED BREAKDOWN OF ORIGINAL INCOME

Table N shows that almost 90 per cent of original income comes from earnings, with 5 per cent each from occupational pensions/annuities and investment income. The pattern for retired households is very different with 60 per cent of the total from occupational pensions/annuities and 35 per cent from investments. Among the quintile groups, investment income as a proportion of total original income is highest for the bottom group (40 per cent) then falls to 14 per cent for the second group and 5 per cent for the top group.

A more detailed look at income from earnings and investments is given in Tables O and P. For all households; some 85 per cent of earnings income comes from the main job with 12 per cent coming from self-employment. There is little variation in these proportions between quintile groups (Table O). Half of investment income comes from building society interest, with stocks and shares the next largest category, forming 27 per cent of the total (Table P). There is a big difference between retired and non-retired

Components of original income, 1986

TABLE N

	Quintile groups of households ranked by original income							
	Bottom	2nd	3rd	4th	Top	Retired	Non-Retired	Average over all households
Average per household (£ per year)								
Earnings								
of highest earner	10	1 420	5 980	9 400	16 050	110	8 760	6 570
of others	-	80	710	2 760	6 720	10	2 750	2 050
Total earnings	10	1 500	6 700	12 160	22 770	110	11 500	8 630
Occupational pensions, annuities . .	50	770	720	480	620	1 360	250	530
Investment income	50	400	480	430	1 180	780	410	510
Other income[1]	10	130	130	110	220	20	150	120
Total original income	130	2 800	8 030	13 180	24 790	2 290	12 320	9 790
Number of households in the sample	*1 435*	*1 436*	*1 436*	*1 435*	*1 436*	*1 812*	*5 366*	*7 178*

[1] Trade union benefits, income of children under 16, imputed value of rent free accommodation (when tenure not dependant on job), private scholarships, earnings as a mail order agent or baby sitter, regular allowance from non-spouse, allowance from absent spouse.

households with the former having almost twice as much investment income as the latter. The proportions of building society interest and stocks and shares vary between quintile groups: the middle three groups have some 60 per cent of their investment income from building society interest whereas the top quintile group has 37 per cent, and 50 per cent for the bottom group. Stocks and shares form 37 per cent of the total for the top quintile group and the proportion declines to 4 per cent for the bottom quintile group.

Table Q gives a breakdown of original income by household type. For all the non-retired groups, earnings make up at least 90 per cent of the total - except the 1 adult with children group where the figure is 64 per cent. This group also has a large amount of 'other income', (forming some 30 per cent of the total) - this is mainly a regular allowance from a non-spouse ie alimony. Income from investments and occupational pensions/annuities contribute little to original income for the non-retired groups, but both these sources are important for retired households.

Components of earnings, 1986

TABLE O

	Quintile groups of households ranked by original income							
	Bottom	2nd	3rd	4th	Top	Retired	Non-Retired	Average over all households
Average per household (£ per year)								
Gross earnings from main job	10	1 170	5 870	10 990	18 970	90	9 870	7 400
Gross earnings from subsidiary jobs	-	10	40	60	130	-	70	50
Occasional payments	-	10	40	100	540	-	180	140
Income in kind	-	20	30	50	70	10	40	40
Self-employment income	-	290	710	960	3 050	10	1 340	1 000
Income from odd jobs	-	-	10	-	10	-	-	-
Total earnings	10	1 500	6 700	12 160	22 770	110	11 500	8 630

Components of investment income, 1986

TABLE P

	Quintile groups of households ranked by original income							
	Bottom	2nd	3rd	4th	Top	Retired	Non-Retired	Average over all households
Average per household (£ per year)								
Building Society interest (gross)	30	240	290	260	440	390	200	250
Dividends on stocks and shares (gross)	-	50	100	80	440	230	100	140
Other interest[1]	20	80	60	40	140	130	50	70
Income from property	-	10	30	30	90	30	40	30
Other unearned income	-	10	-	10	70	20	20	20
Total investment income	50	400	480	430	1 180	800	410	510

[1] National Savings Bank Investment and Ordinary Savings accounts, TSB deposits, British Savings Bonds and War Loan, other savings bank accounts and deposits.

Components of original income by household type[1], 1986

TABLE Q

	Retired households		Non-retired households								
	1 adult	2 or more adults	1 adult	2 adults	3 or more adults	1 adult with children	2 adults 1 child	2 adults 2 children	2 adults 3 or more children	3 or more adults with children	Average over all households
£ per household											
Earnings											
of highest earner	20	210	6 020	8 840	9 740	1 600	9 580	10 720	9 110	11 230	6 570
of others	-	10	-	3 220	6 710	-	2 090	1 630	930	4 780	2 050
Total earnings	20	230	6 020	12 060	16 450	1 600	11 660	12 340	10 040	16 020	8 630
Occupational pensions, annuities	730	2 110	170	450	460	80	100	30	10	160	530
Investment income	490	1 160	490	540	610	80	170	330	130	340	510
Other income[2]	20	30	70	80	110	730	290	90	150	200	120
Total original income	1 260	3 520	6 740	13 130	17 620	2 490	12 230	12 800	10 330	16 710	9 790
Number of households in the sample	*986*	*826*	*758*	*1 530*	*746*	*266*	*550*	*742*	*325*	*449*	*7 178*

[1] See appendix 2 for definitions of adults, children and retired households.
[2] Trade union benefits, income of children under 16, imputed value of rent free accommodation (when tenure not dependant on job), private scholarships, earnings as a mail order agent or baby sitter, regular allowance from non-spouse, allowance from absent spouse.

APPENDIX 1

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1 Footnote to Table 4. Some of the household types in this table are based on relatively small sample sizes, and these results are subject to a greater degree of uncertainty. Large fluctuations can occur from year to year and these could mislead anyone attempting to analyse time series. For example, the one adult with children group has 266 households in the 1986 sample. Two households in this group recorded exceptionally large payments on 'structural additions' which together with associated legal expenses, averaged £4,200 per week in the diary record (covering a fortnight). Large values like these greatly affect the averages for this small group (there were no such large values in 1985). If these two items were excluded for these two households, taxes on final goods and services would fall from £1,791 to £1,250 in the top quintile group and from £892 to £784 over all quintile groups (see Table 4 (vi) in this appendix). Intermediate taxes would fall from £680 to £525 in the top quintile group and from £345 to £314 over all quintile groups, with consequential increases in 'income after cash benefits and all taxes' and 'final income'.
These large values occur from time to time because of the way expenditure is recorded in the FES. Whilst income is assessed in terms of a household's estimated 'usual' weekly income over a 12-month period, the assessment of all expenditure items over such a period in the FES is not practical and therefore many items have to be recorded over a two-week period, and are then converted to an annual basis. This can sometimes lead to an apparent imbalance between income and expenditure.

General government expenditure in 1986

TABLE 1

	£ million	*Percentage of total expenditure*
Allocated expenditure[1]		
Allocated cash benefits		
Social security benefits		
National Insurance (contributory)		
Retirement	17 700	*10.9*
Widows and guardians	870	*0.5*
Unemployment	1 790	*1.1*
Sickness/ Statutory sick pay	920	*0.6*
Invalidity	2 720	*1.7*
Maternity	180	*0.1*
Disablement	460	*0.3*
Other	90	*0.1*
Non-contributory		
Child benefit	5 000	*3.1*
Supplementary benefit	8 230	*5.1*
War pension	570	*0.4*
Other	1 690	*1.0*
Student maintenance grants[2]	750	*0.5*
Rent rebates and rent allowances	3 250	*2.0*
Allocated benefits in kind		
Health services	18 240	*11.2*
Education	17 880	*11.0*
School meals and milk	670	*0.4*
Housing subsidy	1 430	*0.9*
Travel subsidies[3]	1 330	*0.8*
	83 760	*51.6*
Unallocated expenditure		
Other current expenditure	52 370	*32.3*
Capital expenditure	6 500	*4.0*
Debt interest	17 020	*10.5*
Non-trading capital consumption	2 540	*1.6*
Total expenditure	162 190	*100.0*

[1] Including benefits to people not living in private households.
[2] Estimated.
[3] Including concessionary fares expenditure.

Source: *United Kingdom National Accounts, 1987 edition,* Table 9.4

Financing of general government expenditure in 1986

TABLE 2

	£ million	*Percentage of total financing*
Allocated financing [1]		
Income tax [2]	37 620	*23.2*
Employees' and self-employed NI contributions	12 810	*7.9*
Indirect taxes		
Domestic rates (net of rebates)	7 020	*4.3*
Taxes on final goods and services		
VAT	16 020	*9.9*
Duty on beer and cider	1 920	*1.2*
Duty on wines and spirits	1 960	*1.2*
Duty on tobacco	4 470	*2.8*
Duty on hydrocarbon oils	3 430	*2.1*
Car tax and vehicle excise duty	2 180	*1.3*
Other	2 400	*1.5*
Taxes and NI contributions on intermediate goods and services		
Employers' NI contributions	4 330	*2.7*
Commercial and industrial rates	3 750	*2.3*
Duty on hydrocarbon oils	1 970	*1.2*
VAT	1 030	*0.6*
Vehicle excise duty	520	*0.3*
Other	690	*0.4*
	102 120	*63.0*
Unallocated financing		
Employers' NI contributions not allocated	8 930	*5.5*
Indirect taxes		
Commercial and industrial rates not allocated	4 470	*2.8*
Other taxes on expenditure not allocated		
VAT	5 670	*3.5*
Duty on hydrocarbon oils	1 900	*1.2*
Other	2 870	*1.8*
Other taxes		
Corporation tax	12 050	*7.4*
Petroleum revenue tax	2 700	*1.7*
Taxes on capital	2 590	*1.6*
Other receipts [3]	15 620	*9.6*
Government borrowing requirement	3 270	*2.0*
Total financing	162 190	*100.0*

[1] Including taxes paid by people not living in private households.
[2] Net of tax relief at source on mortgage interest and life assurance premiums.
[3] Receipts of rent, royalties and licence fees on oil and gas production, interest, dividends, trading income and miscellaneous transactions (net).

Source: *United Kingdom National Accounts, 1987 edition*, Table 9.1

Average incomes, taxes and benefits, 1986

By decile groups of households ranked by original and disposable incomes

TABLE 3

£ per year

	Decile group										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
(i) Ranked by original income											
All households											
Decile points (£)	*13*	*663*	*2 598*	*5 460*	*8 044*	*10 517*	*13 097*	*16 153*	*21 163*		
Number of households in the sample	718	717	718	718	718	718	718	717	718	718	7178
Original income	1	257	1 507	4 086	6 784	9 274	11 792	14 572	18 382	31 194	9 785
Direct benefits in cash											
Contributory											
Retirement pension	1 111	1 883	1 835	1 038	612	322	260	158	133	142	749
Sickness/ injury related	195	96	269	242	131	123	90	75	60	70	135
Unemployment benefit	37	44	61	117	104	62	59	46	37	41	61
Other contributory benefits	72	68	93	107	67	62	42	33	28	21	59
Non-contributory											
Supplementary benefit	1 083	373	304	253	86	67	66	62	59	50	240
Child benefit	236	86	115	213	230	305	324	312	303	253	238
Rent rebates/ allowances	609	398	222	133	53	21	9	4	3	9	146
Sickness/ disablement related	160	115	117	97	73	63	47	44	33	29	78
Other non-contributory benefits	83	95	85	150	89	34	68	52	52	40	75
Gross income	3 587	3 413	4 608	6 437	8 230	10 333	12 756	15 358	19 089	31 848	11 566
Income tax[1] and Employees' NIC	-21	11	133	518	1 185	1 787	2 356	3 058	3 994	7 312	2 034
Disposable income	3 608	3 403	4 475	5 918	7 044	8 545	10 401	12 299	15 095	24 535	9 533
Domestic rates[2]	124	176	285	337	387	413	435	486	522	664	383
Taxes on final goods and services	539	512	756	1 052	1 231	1 576	1 670	2 006	2 355	3 095	1 479
Intermediate taxes	201	212	273	386	436	509	550	654	792	1 081	509
Income after cash benefits and all taxes	2 743	2 502	3 161	4 144	4 990	6 047	7 746	9 154	11 427	19 695	7 161
Benefits in kind											
Education	490	252	331	573	614	683	863	839	860	831	634
National health service	867	947	917	818	723	742	728	696	715	731	789
Housing subsidy	162	100	92	69	53	46	37	26	19	12	62
Travel subsidies	45	56	63	50	53	45	46	50	78	117	60
School meals and milk	66	29	34	51	29	21	25	22	19	14	31
Final income	4 373	3 886	4 598	5 704	6 462	7 583	9 445	10 788	13 118	21 399	8 736
(ii) Ranked by disposable income											
All households											
Decile points (£)	*3 001*	*4 065*	*5 124*	*6 589*	*7 961*	*9 566*	*11 347*	*13 617*	*17 348*		
Number of households in the sample	718	718	717	718	718	718	718	717	718	718	7 178
Original income	349	953	2 039	4 118	6 664	8 822	11 616	14 314	18 227	30 748	9 785
Direct benefits in cash											
Contributory											
Retirement pension	1 342	1 519	1 385	988	609	604	336	276	245	191	749
Sickness/ injury related	47	71	162	213	217	173	138	147	96	85	135
Unemployment benefit	30	20	51	94	113	70	70	64	48	48	61
Other contributory benefits	57	78	60	113	65	51	51	37	45	34	59
Non-contributory											
Supplementary benefit	289	390	536	376	279	165	111	102	67	87	240
Child benefit	45	81	178	242	284	301	321	311	321	294	238
Rent rebates/ allowances	310	414	328	182	109	55	33	15	5	9	146
Sickness/ disablement related	14	38	61	149	102	127	98	65	54	68	78
Other non-contributory benefits	36	54	98	99	76	74	84	78	80	68	75
Gross income	2 521	3 619	4 898	6 576	8 520	10 441	12 857	15 409	19 188	31 631	11 566
Income tax[1] and Employees' NIC	68	123	319	721	1 255	1 696	2 386	3 001	3 957	6 809	2 034
Disposable income	2 453	3 495	4 579	5 855	7 265	8 746	10 472	12 408	15 231	24 822	9 533
Domestic rates[2]	174	205	248	320	370	404	437	474	538	659	383
Taxes on final goods and services	434	509	784	1 042	1 257	1 578	1 672	2 035	2 342	3 141	1 479
Intermediate taxes	188	203	284	383	421	508	546	669	799	1 092	509
Income after cash benefits and all taxes	1 657	2 578	3 262	4 110	5 218	6 257	7 816	9 229	11 553	19 930	7 161
Benefits in kind											
Education	144	186	339	595	696	707	905	873	911	978	634
National health service	745	794	883	822	771	833	739	734	772	792	789
Housing subsidy	90	113	113	88	67	49	39	30	16	12	62
Travel subsidies	47	47	60	53	45	42	46	65	81	116	60
School meals and milk	10	24	42	59	50	34	30	22	23	16	31
Final income	2 693	3 742	4 699	5 727	6 848	7 922	9 575	10 953	13 357	21 844	8 736

[1] Net of tax relief at source on mortgage interest and life assurance premiums. See Appendix 1.
[2] Net of the rate element of housing benefit, but including water, etc. charges.

Average incomes, taxes and benefits, 1986

By quintile groups of original income within household type

TABLE 4

£ per year

	Quintile group					Average over all quintile groups
	1st	2nd	3rd	4th	5th	
(i) 1 adult retired						
Quintile points (£)		*130*	*575*	*1 597*		
Number of households in the sample	394[1]		198	197	197	986
Original income	23		342	969	4 940	1 258
Direct benefits in cash						
Contributory						
Retirement pension	1 968		1 984	1 985	1 868	1 955
Sickness/ injury related	9		14	11	34	15
Unemployment benefit	-		-	6	8	3
Other	16		77	56	96	52
Total contributory	1 993		2 076	2 057	2 006	2 025
Non-contributory						
Supplementary benefit	127		33	3	-	58
Child benefit	-		-	-	-	-
Rent rebates/ allowances	539		310	160	20	314
Sickness/ disablement related	55		56	17	24	41
Other	69		34	67	48	58
Total non-contributory	790		433	247	93	470
Gross income	2 806		2 850	3 273	7 039	3 754
Income tax[2] and Employees' NIC	-1		34	111	1 226	274
Disposable income	2 806		2 816	3 163	5 813	3 480
Domestic rates[3]	130		183	262	446	230
Taxes on final goods and services	273		310	385	628	374
Intermediate taxes	146		165	184	292	187
Income after cash benefits and all taxes	2 257		2 158	2 332	4 447	2 690
Benefits in kind						
Education	-		-	7	-	1
National health service	889		874	826	757	847
Housing subsidy	128		91	87	40	95
Travel subsidies	51		50	50	62	53
School meals and milk	-		-	-	-	-
Final income	3 325		3 173	3 301	5 306	3 686
(ii) 2 or more adults retired						
Quintile points (£)		*152*	*890*	*2 376*	*5 672*	
Number of households in the sample	165	165	166	165	165	826
Original income	30	502	1 527	3 856	11 704	3 521
Direct benefits in cash						
Contributory						
Retirement pension	3 044	3 174	3 120	3 022	2 724	3 017
Sickness/ injury related	186	109	221	193	120	166
Unemployment benefit	-	10	16	28	22	15
Other	17	23	18	18	15	18
Total contributory	3 247	3 315	3 376	3 261	2 882	3 217
Non-contributory						
Supplementary benefit	312	148	68	38	1	113
Child benefit	19	-	-	9	9	7
Rent rebates/ allowances	411	220	89	15	-	147
Sickness/ disablement related	246	164	166	202	114	178
Other	104	56	77	204	52	98
Total non-contributory	1 092	588	400	468	176	545
Gross income	4 370	4 405	5 302	7 585	14 763	7 282
Income tax[2] and Employees' NIC	-15	29	146	623	2 880	732
Disposable income	4 385	4 376	5 156	6 962	11 883	6 551
Domestic rates[3]	190	246	353	450	602	368
Taxes on final goods and services	644	728	831	1 151	1 558	982
Intermediate taxes	251	290	290	489	612	386
Income after cash benefits and all taxes	3 299	3 112	3 683	4 872	9 111	4 814
Benefits in kind						
Education	54	-	16	35	105	42
National health service	1 381	1 314	1 259	1 323	1 138	1 283
Housing subsidy	119	66	64	60	4	63
Travel subsidies	83	84	101	85	68	84
School meals and milk	1	-	-	-2	3	-
Final income	4 937	4 576	5 123	6 373	10 428	6 286

[1] More than a fifth of these households had no original income, so the bottom group is undefined.
[2] After tax relief at source on mortgage interest and life assurance premiums.
[3] Net of the rate rebate element of housing benefit, but including water, etc. charges.

Average incomes, taxes and benefits, 1986

By quintile groups of original income within household type

TABLE 4 *(continued)*

£ per year

	Quintile group					Average over all quintile groups
	1st	2nd	3rd	4th	5th	
(iii) 1 adult non-retired						
Quintile points (£)	*694*	*4 362*	*7 074*	*10 583*		
Number of households in the sample	152	151	152	151	152	758
Original income	64	2 661	5 839	8 748	16 390	6 743
Direct benefits in cash						
Contributory						
Retirement pension	-	464	39	73	16	118
Sickness/ injury related	318	126	68	32	10	111
Unemployment benefit	76	85	21	6	9	39
Other	171	244	133	103	59	142
Total contributory	565	920	261	215	94	410
Non-contributory						
Supplementary benefit	1 004	158	33	11	-	242
Child benefit	-	2	-	-	-	-
Rent rebates/ allowances	559	243	21	6	-	166
Sickness/ disablement related	197	30	-	7	33	54
Other	121	57	-	1	13	39
Total non-contributory	1 881	489	54	25	47	500
Gross income	2 510	4 070	6 152	8 988	16 531	7 653
Income tax[1] and Employees' NIC	-20	310	1 207	2 057	3 690	1 449
Disposable income	2 530	3 760	4 946	6 931	12 841	6 204
Domestic rates[2]	114	268	302	397	432	303
Taxes on final goods and services	516	642	884	1 197	1 526	953
Intermediate taxes	159	222	306	391	520	320
Income after cash benefits and all taxes	1 740	2 627	3 454	4 946	10 362	4 628
Benefits in kind						
Education	246	157	61	-	-	93
National health service	262	297	211	213	199	236
Housing subsidy	135	87	43	38	12	63
Travel subsidies	21	36	40	38	71	41
School meals and milk	2	-	-	-	-	-
Final income	2 406	3 204	3 807	5 235	10 644	5 062
(iv) 2 adults non-retired						
Quintile points (£)	*5 750*	*9 806*	*13 636*	*18 167*		
Number of households in the sample	306	306	306	306	306	1 530
Original income	2 741	7 922	11 732	15 702	27 532	13 126
Direct benefits in cash						
Contributory						
Retirement pension	798	407	205	107	114	326
Sickness/ injury related	586	193	98	57	54	198
Unemployment benefit	123	87	41	24	25	60
Other	103	63	38	7	23	47
Total contributory	1 611	750	382	196	215	631
Non-contributory						
Supplementary benefit	603	60	29	18	11	144
Child benefit	10	11	4	4	1	6
Rent rebates/ allowances	254	62	15	6	2	68
Sickness/ disablement related	253	88	32	23	18	83
Other	139	39	39	26	3	49
Total non-contributory	1 258	260	118	77	35	350
Gross income	5 610	8 932	12 232	15 975	27 782	14 106
Income tax[1] and Employees' NIC	297	1 437	2 420	3 448	6 486	2 817
Disposable income	5 314	7 496	9 812	12 527	21 297	11 289
Domestic rates[2]	273	390	410	466	593	426
Taxes on final goods and services	1 016	1 401	1 720	1 898	2 503	1 708
Intermediate taxes	337	474	507	617	878	563
Income after cash benefits and all taxes	3 687	5 230	7 175	9 547	17 322	8 592
Benefits in kind						
Education	273	91	87	37	-	98
National health service	661	595	498	435	442	526
Housing subsidy	102	49	36	24	3	43
Travel subsidies	60	66	38	52	96	62
School meals and milk	2	-	-	-	-	-
Final income	4 785	6 031	7 835	10 095	17 862	9 322

[1] After tax relief at source on mortgage interest and life assurance premiums.
[2] Net of the rate rebate element of housing benefit , but including water, etc. charges.

Average incomes, taxes and benefits, 1986

By quintile groups of original income within household type

TABLE 4 *(continued)*

	£ per year					
	Quintile group					Average over all quintile groups
	1st	2nd	3rd	4th	5th	
(v) 3 or more adults, with no children						
Quintile points (£)	*9 750*	*14 124*	*18 511*	*23 877*		
Number of households in the sample	149	149	150	149	149	746
Original income	5 653	12 066	16 254	21 175	32 978	17 623
Direct benefits in cash						
Contributory						
Retirement pension	730	550	300	189	111	376
Sickness/ injury related	538	310	130	145	92	243
Unemployment benefit	218	159	70	63	67	115
Other	97	37	24	37	12	41
Total contributory	1 582	1 056	524	435	281	775
Non-contributory						
Supplementary benefit	734	248	126	93	75	255
Child benefit	63	53	64	61	49	58
Rent rebates/ allowances	188	23	3	21	4	48
Sickness/ disablement related	351	87	54	71	27	118
Other	401	158	162	99	103	184
Total non-contributory	1 737	569	408	345	258	663
Gross income	8 971	13 691	17 187	21 956	33 517	19 062
Income tax[1] and Employees' NIC	822	2 210	3 441	4 716	8 052	3 848
Disposable income	8 149	11 481	13 746	17 240	25 465	15 214
Domestic rates[2]	319	434	471	512	645	476
Taxes on final goods and services	1 765	2 155	2 618	3 175	3 990	2 740
Intermediate taxes	545	650	789	911	1 258	827
Income after cash benefits and all taxes	5 520	8 241	9 888	12 641	19 572	11 171
Benefits in kind						
Education	1 058	603	563	382	895	700
National health service	898	812	774	816	807	821
Housing subsidy	71	73	44	28	16	47
Travel subsidies	57	73	92	107	174	101
School meals and milk	10	2	2	2	1	3
Final income	7 614	9 804	11 362	13 975	21 465	12 842
(vi) 1 adult with children						
Quintile points (£)	-	*100*	*1 724*	*4 900*		
Number of households in the sample	106[3]	54	53	53	266	
Original income	8	849	3 166	8 470	2 494	
Direct benefits in cash						
Contributory						
Retirement pension	-	-	-	-	-	
Sickness/ injury related	89	74	14	10	55	
Unemployment benefit	-	29	18	7	11	
Other	153	91	182	118	139	
Total contributory	242	194	213	135	205	
Non-contributory						
Supplementary benefit	1 882	1 254	313	99	1 086	
Child benefit	732	672	810	800	749	
Rent rebates/ allowances	773	718	466	90	565	
Sickness/ disablement related	25	-	20	20	18	
Other	51	158	218	10	98	
Total non-contributory	3 463	2 801	1 827	1 018	2 516	
Gross income	3 714	3 844	5 207	9 623	5 215	
Income tax[1] and Employees' NIC	-34	-45	111	944	187	
Disposable income	3 748	3 889	5 095	8 679	5 027	
Domestic rates[2]	110	153	212	464	209	
Taxes on final goods and services	564	726	818	1 791*	892*	
Intermediate taxes	229	271	316	680*	345*	
Income after cash benefits and all taxes	2 845	2 739	3 750	5 745*	3 582*	
Benefits in kind						
Education	1 003	1 475	1 739	1 608	1 366	
National health service	697	500	549	495	587	
Housing subsidy	189	148	133	71	146	
Travel subsidies	12	16	39	43	25	
School meals and milk	201	216	173	58	170	
Final income	4 947	5 095	6 383	8 018*	5 875*	

[1] After tax relief at source on mortgage interest and life assurance premiums.
[2] Net of the rate rebate element of housing benefit, but including water, etc. charges.
[3] More than a fifth of these households had no original income, so the bottom group is undefined.
* See footnote 1 on page 100.

Average incomes, taxes and benefits, 1986

By quintile groups of original income within household type

TABLE 4 *(continued)*

£ per year

	Quintile group					Average over all quintile groups
	1st	2nd	3rd	4th	5th	
(vii) 2 adults, 1 child						
Quintile points (£)	*5 625*	*9 177*	*12 208*	*16 116*		
Number of households in the sample	110	110	110	110	110	550
Original income	2 329	7 783	10 671	14 067	26 315	12 233
Direct benefits in cash						
Contributory						
Retirement pension	83	18	-	-	20	24
Sickness/ injury related	257	78	53	53	14	91
Unemployment benefit	228	231	155	52	43	142
Other	189	111	74	105	66	109
Total contributory	757	438	281	210	142	366
Non-contributory						
Supplementary benefit	1 224	47	28	31	50	276
Child benefit	378	380	366	379	366	374
Rent rebates/ allowances	404	17	3	11	20	91
Sickness/ disablement related	60	19	72	10	-	32
Other	103	26	8	4	5	29
Total non-contributory	2 169	489	476	435	441	802
Gross income	5 255	8 710	11 429	14 712	26 899	13 401
Income tax[1] and Employees' NIC	143	1 155	1 880	2 937	6 109	2 445
Disposable income	5 113	7 555	9 549	11 775	20 790	10 956
Domestic rates[2]	208	373	401	477	602	412
Taxes on final goods and services	910	1 319	1 473	1 771	2 364	1 568
Intermediate taxes	311	460	486	578	858	539
Income after cash benefits and all taxes	3 683	5 403	7 189	8 949	16 965	8 438
Benefits in kind						
Education	783	505	620	630	546	617
National health service	841	918	770	820	803	830
Housing subsidy	108	49	56	33	9	51
Travel subsidies	30	30	20	50	67	39
School meals and milk	68	28	26	23	14	32
Final income	5 513	6 933	8 680	10 506	18 404	10 007
(viii) 2 adults, 2 children						
Quintile points (£)	*6 724*	*10 025*	*13 343*	*18 094*		
Number of households in the sample	148	149	148	149	148	742
Original income	3 002	8 645	11 702	15 481	25 178	12 800
Direct benefits in cash						
Contributory						
Retirement pension	-	-	-	-	-	-
Sickness/ injury related	313	61	30	38	18	92
Unemployment benefit	236	49	58	39	5	77
Other	64	31	22	21	4	28
Total contributory	613	141	110	98	27	197
Non-contributory						
Supplementary benefit	1 149	48	11	6	2	242
Child benefit	731	733	725	730	722	728
Rent rebates/ allowances	377	14	-	5	-	79
Sickness/ disablement related	70	7	45	7	25	31
Other	114	21	10	11	3	32
Total non-contributory	2 441	823	791	759	751	1 112
Gross income	6 055	9 609	12 603	16 338	25 956	14 109
Income tax[1] and Employees' NIC	274	1 382	2 251	3 222	5 864	2 598
Disposable income	5 782	8 227	10 352	13 115	20 092	11 511
Domestic rates[2]	215	389	478	535	685	460
Taxes on final goods and services	1 208	1 571	1 591	1 935	2 317	1 725
Intermediate taxes	389	517	542	698	958	621
Income after cash benefits and all taxes	3 971	5 750	7 740	9 947	16 132	8 706
Benefits in kind						
Education	1 407	1 342	1 526	1 539	1 526	1 468
National health service	1 032	983	848	792	871	905
Housing subsidy	132	48	22	13	2	43
Travel subsidies	40	18	16	40	66	36
School meals and milk	158	52	71	49	49	76
Final income	6 739	8 193	10 223	12 380	18 645	11 233

[1] After tax relief at source on mortgage interest and life assurance premiums.
[2] Net of the rate rebate element of housing benefit supplement, but including water, etc. charges.

Average incomes, taxes and benefits, 1986

By quintile groups of original income within household type

TABLE 4 *(continued)*

£ per year

	Quintile group					Average over all quintile groups
	1st	2nd	3rd	4th	5th	
(ix) 2 adults, 3 or more children						
Quintile points (£)	*2 670*	*8 065*	*11 680*	*15 441*		
Number of households in the sample	65	65	65	65	65	325
Original income	502	5 532	9 990	13 260	22 365	10 330
Direct benefits in cash						
Contributory						
Retirement pension	-	-	-	-	-	-
Sickness/ injury related	325	54	54	27	17	95
Unemployment benefit	272	249	25	93	25	133
Other	51	-	6	-	7	13
Total contributory	648	303	84	120	49	241
Non-contributory						
Supplementary benefit	2 471	227	76	25	10	562
Child benefit	1 305	1 245	1 142	1 151	1 127	1 194
Rent rebates/ allowances	766	239	-	-	-	201
Sickness/ disablement related	170	111	89	16	41	85
Other	36	227	89	5	20	75
Total non-contributory	4 747	2 048	1 395	1 197	1 198	2 117
Gross income	5 897	7 883	11 469	14 577	23 612	12 688
Income tax[1] and Employees' NIC	29	631	1 899	2 751	4 654	1 993
Disposable income	5 868	7 251	9 570	11 826	18 959	10 695
Domestic rates[2]	132	283	410	508	690	404
Taxes on final goods and services	1 216	1 361	1 641	1 873	2 781	1 774
Intermediate taxes	351	419	544	719	1 176	642
Income after cash benefits and all taxes	4 169	5 188	6 976	8 726	14 311	7 874
Benefits in kind						
Education	2 614	2 840	2 318	2 586	2 411	2 554
National health service	1 453	1 322	1 265	1 239	1 005	1 257
Housing subsidy	182	116	56	34	13	80
Travel subsidies	10	16	20	54	53	31
School meals and milk	438	352	85	74	75	205
Final income	8 866	9 834	10 721	12 713	17 868	12 001
(x) 3 or more adults, with children						
Quintile points (£)	*8 668*	*13 154*	*16 935*	*23 622*		
Number of households in the sample	90	90	89	90	90	449
Original income	4 457	11 279	15 100	19 569	33 144	16 713
Direct benefits in cash						
Contributory						
Retirement pension	270	229	116	189	60	173
Sickness/ injury related	634	147	69	73	31	191
Unemployment benefit	187	46	33	42	42	70
Other	132	29	48	82	7	60
Total contributory	1 223	451	266	386	140	494
Non-contributory						
Supplementary benefit	1 211	248	215	192	96	393
Child benefit	803	736	677	660	622	700
Rent rebates/ allowances	304	15	-	1	-	64
Sickness/ disablement related	197	105	62	61	36	92
Other	235	203	184	77	59	148
Total non-contributory	2 750	1 307	1 117	992	813	1 397
Gross income	8 430	13 037	16 483	20 947	34 097	18 604
Income tax[1] and Employees' NIC	467	2 005	2 819	4 019	7 093	3 282
Disposable income	7 963	11 032	13 664	16 928	27 005	15 322
Domestic rates[2]	311	433	475	563	728	502
Taxes on final goods and services	1 671	1 974	2 323	2 767	3 549	2 457
Intermediate taxes	554	692	747	968	1 219	836
Income after cash benefits and all taxes	5 427	7 934	10 119	12 630	21 508	11 527
Benefits in kind						
Education	2 907	2 604	2 531	2 462	2 282	2 557
National health service	1 249	1 024	1 036	1 038	949	1 059
Housing subsidy	143	52	26	18	31	54
Travel subsidies	88	71	95	106	130	98
School meals and milk	188	49	54	36	43	74
Final income	10 003	11 732	13 862	16 289	24 944	15 369

[1] After tax relief at source on mortgage interest and life assurance premiums.
[2] Net of the rate rebate element of housing benefit, but including water, etc. charges.

Average incomes, taxes and benefits, 1986

By decile groups of households ranked by original income

TABLE 5

£ per year

	Decile group										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
Decile points (£)	*13*	*663*	*2 598*	*5 460*	*8 044*	*10 517*	*13 097*	*16 153*	*21 163*		
Number of households in the sample	718	717	718	718	718	718	718	717	718	718	7 178
Original income											
Earnings of main earner	-	22	468	2 380	4 869	7 099	8 542	10 265	12 320	19 780	6 575
Other earnings	-	-	7	145	395	1 034	2 188	3 325	4 979	8 469	2 054
Occupational pensions, annuities	-	109	637	895	807	624	533	429	385	853	527
Investment income	1	104	298	500	530	436	438	418	536	1 826	509
Other income	-	22	96	166	184	81	91	136	163	267	121
Total	1	257	1 507	4 086	6 784	9 274	11 792	14 572	18 382	31 194	9 785
Direct benefits in cash											
Contributory											
Retirement pension	1 111	1 883	1 835	1 038	612	322	260	158	133	142	749
Unemployment benefit	37	44	61	117	104	62	59	46	37	41	61
Invalidity pension and allowance	166	80	215	196	82	74	40	31	15	24	92
Statutory sick pay	-	1	4	23	22	36	33	35	37	36	23
Industrial injury disablement benefit	20	12	33	4	16	4	9	1	3	1	10
Sickness, industrial injury benefit	9	3	16	19	11	9	7	7	5	8	10
Widows' benefit	61	53	79	95	52	45	29	22	19	15	47
Maternity allowance	4	3	3	5	10	13	11	10	8	5	7
Christmas bonus for pensioners, etc	7	10	11	6	4	2	2	1	1	1	4
Non-contributory											
Supplementary benefit	1 083	373	304	253	86	67	66	62	59	50	240
Child benefit	236	86	115	213	230	305	324	312	303	253	238
Rent rebates and allowances	609	398	222	133	53	21	9	4	3	9	146
Attendance allowance	57	43	42	27	20	19	15	9	14	10	25
Mobility allowance	35	20	29	34	18	20	15	11	11	2	19
War pensions	24	15	16	11	9	3	6	7	4	5	10
Severe disablement allowance	43	37	30	25	26	22	11	17	4	12	23
Student maintenance awards	34	38	7	19	37	15	34	6	27	17	23
TOPS/YTS, etc, awards	10	1	12	14	14	14	29	34	24	19	17
Family income supplement	1	4	12	46	7	3	1	-	-	-	7
Other non-contributory benefits	38	51	54	70	32	2	4	12	1	4	27
Total	3 586	3 156	3 101	2 351	1 446	1 059	964	785	707	654	1 781
Gross income	3 587	3 413	4 608	6 437	8 230	10 333	12 756	15 358	19 089	31 848	11 566
Income tax and Employees' NIC											
Income tax	-	22	141	453	960	1 447	1 906	2 494	3 307	6 345	1 708
Employees' national insurance contributions	1	2	17	147	373	560	743	941	1 128	1 508	542
less: Tax relief at source[1]	22	13	25	81	148	219	294	377	442	541	216
Total	-21	11	133	518	1 185	1 787	2 356	3 058	3 994	7 312	2 034
Disposable income	3 608	3 403	4 475	5 918	7 044	8 545	10 401	12 299	15 095	24 535	9 533
Indirect taxes											
Domestic rates[2]	124	176	285	337	387	413	435	486	522	664	383
Taxes on final goods and services											
VAT	213	216	312	474	556	716	765	995	1 207	1 670	712
Duty on tobacco	176	98	172	186	206	233	247	233	237	230	202
Duty on beer and cider	26	23	37	55	79	88	118	124	138	178	86
Duty on wines	4	6	8	16	18	22	26	38	46	94	28
Duty on spirits	20	29	33	52	51	57	70	86	97	148	64
Duty on hydrocarbon oils	20	35	59	98	123	163	178	218	276	336	151
Car tax	1	2	5	11	18	26	25	33	54	74	25
Vehicle excise duty	9	21	34	52	59	76	85	97	113	139	68
Television licences	33	41	45	46	48	52	52	54	54	55	48
Stamp duty on house purchase	1	2	3	5	8	12	16	23	28	39	14
Customs' duties	12	11	15	21	24	29	33	39	46	61	29
Betting taxes	13	17	21	20	25	85	37	44	34	39	34
Other	11	11	11	15	16	19	19	23	26	32	18
Intermediate taxes											
Commercial and industrial rates	64	67	86	118	135	159	173	206	247	340	159
Employers' NI contributions	68	73	94	133	151	178	193	230	279	384	178
Duty on hydrocarbon oils	34	34	43	65	70	80	85	99	123	164	80
Vehicle excise duty	8	8	10	17	18	20	22	25	32	43	20
Other	27	30	39	53	62	72	78	94	112	150	72
Total indirect taxes	864	900	1 314	1 775	2 055	2 499	2 655	3 145	3 669	4 840	2 372
Income after cash benefits and all taxes	2 743	2 502	3 161	4 144	4 990	6 047	7 746	9 154	11 427	19 695	7 161
Benefits in kind											
Education	490	252	331	573	614	683	863	839	860	831	634
National health service	867	947	917	818	723	742	728	696	715	731	789
Housing subsidy	162	100	92	69	53	46	37	26	19	12	62
Rail travel subsidy	11	7	11	16	26	25	27	34	59	94	31
Bus travel subsidy	34	49	52	34	27	20	19	16	19	23	29
School meals and milk	66	29	34	51	29	21	25	22	19	14	31
Total	1 630	1 384	1 437	1 561	1 472	1 537	1 699	1 634	1 691	1 704	1 575
Final income	4 373	3 886	4 598	5 704	6 462	7 583	9 445	10 788	13 118	21 399	8 736

[1] On mortgage interest and life assurance premiums.
[2] Net of the rate rebate element of housing benefit, but including water, etc. charges.

Average incomes, taxes and benefits, 1986

By decile groups of households ranked by gross income

TABLE 6

£ per year

	Decile group										Average over all decile groups
	1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	
Decile points (£)	*3 048*	*4 184*	*5 547*	*7 455*	*9 418*	*11 553*	*14 054*	*17 034*	*21 931*		
Number of households in the sample	718	718	717	718	718	718	718	717	718	718	7 178
Original income	245	752	1 688	4 017	6 575	9 008	11 721	14 431	18 299	31 115	9 785
Direct benefits in cash											
Contributory											
Retirement pension	1 357	1 564	1 454	920	671	542	321	279	193	194	749
Unemployment benefit	26	32	59	109	100	73	71	52	41	46	61
Sickness/ injury related	51	109	186	224	238	143	125	112	87	76	135
Other contributory benefits	56	78	78	89	78	56	51	36	40	31	59
Total contributory benefits	1 491	1 783	1 777	1 341	1 087	815	568	478	360	346	1 004
Non-contributory											
Supplementary benefit	311	444	584	420	227	127	57	92	69	73	240
Child benefit	42	104	211	244	271	298	311	309	320	268	238
Rent rebates/ allowances	341	415	349	182	84	43	23	9	4	9	146
Sickness/ disablement related	15	37	102	161	129	102	69	52	59	52	78
Other non-contributory benefits	39	56	115	116	72	83	75	64	72	56	75
Total non-contributory benefits	748	1 057	1 360	1 122	783	653	534	527	523	458	776
Total cash benefits	2 238	2 839	3 137	2 463	1 869	1 468	1 102	1 006	883	804	1 781
Gross income	2 483	3 591	4 825	6 480	8 444	10 477	12 823	15 437	19 182	31 919	11 566
Income tax and Employees' NIC											
Income tax	20	81	171	462	905	1 410	1 907	2 494	3 316	6 310	1 708
National insurance contributions	7	16	53	190	370	529	736	906	1 122	1 491	542
less: Tax relief at source[1]	20	14	45	90	163	208	292	357	437	535	216
Total	7	83	179	562	1 112	1 731	2 351	3 043	4 001	7 266	2 034
Disposable income	2 477	3 509	4 646	5 917	7 333	8 746	10 472	12 394	15 181	24 652	9 533
Indirect taxes											
Domestic rates[2]	162	205	242	319	379	409	443	483	521	665	383
Taxes on final goods and services											
VAT	174	222	326	456	588	690	792	983	1 199	1 694	712
Duty on tobacco	80	123	177	218	238	230	252	221	242	237	202
Duty on beer	19	23	39	60	80	90	110	127	139	178	86
Duty on wines	5	7	8	13	18	20	29	37	48	93	28
Duty on spirits	21	27	30	45	66	52	64	90	96	152	64
Duty on hydrocarbon oils	22	33	61	89	129	163	177	219	275	338	151
Car tax	2	2	5	13	17	22	28	32	53	75	25
Vehicle excise duty	13	20	36	46	61	75	84	98	114	139	68
Television licences	35	38	44	46	49	51	52	54	54	55	48
Stamp duty on house purchase	2	2	3	5	8	11	17	22	27	38	14
Customs' duties	9	12	16	21	25	28	34	38	46	61	29
Betting taxes	11	16	20	22	26	83	37	45	36	38	34
Other	9	11	12	14	18	18	20	23	25	33	18
Intermediate taxes											
Commercial and industrial rates	57	67	89	115	136	157	175	206	247	344	159
Employers' NI contributions	61	72	98	131	153	175	196	230	280	388	178
Duty on hydrocarbon oils	29	34	45	65	71	78	85	100	124	166	80
Vehicle excise duty	7	8	11	17	18	20	22	25	32	43	20
Other	25	30	40	52	62	71	79	94	112	151	72
Total indirect taxes	741	952	1 303	1 747	2 144	2 445	2 695	3 130	3 671	4 887	2 372
Income after cash benefits and all taxes	1 736	2 557	3 343	4 170	5 189	6 301	7 777	9 264	11 510	19 765	7 161
Benefits in kind											
Education	136	213	451	669	610	745	825	893	910	886	634
National health service	759	828	921	797	797	815	718	731	745	774	789
Housing subsidy	96	116	114	81	61	52	37	29	17	14	62
Rail travel subsidy	11	5	15	16	21	22	32	36	58	94	31
Bus travel subsidy	36	42	45	34	28	23	22	19	19	25	29
School meals and milk	10	27	57	60	45	28	25	22	20	15	31
Total	1 049	1 231	1 602	1 656	1 561	1 684	1 659	1 730	1 769	1 807	1 575
Final income	2 785	3 788	4 945	5 826	6 750	7 985	9 436	10 994	13 279	21 572	8 736

[1] On mortgage interest and life assurance premiums.
[2] Net of the rate rebate element of housing benefit, but including water, etc. charges.

Average incomes, taxes and benefits, 1986

By quintile groups of households ranked by original income

TABLE 7

	£ per year					
	Quintile group					Average over all quintile groups
	1st	2nd	3rd	4th	5th	
Quintile points (£)	*663*	*5 460*		*10 517*	*16 153*	
Number of households in the sample	1 435	1 436	1 436	1 435	1 436	7 178
Original income						
Earnings of main earner	11	1 424	5 984	9 403	16 050	6 575
Other earnings	-	76	714	2 756	6 724	2 054
Occupational pensions, annuities	54	768	716	481	619	527
Investment income	52	399	483	428	1 181	509
Other income	11	131	132	113	215	121
Total	129	2 797	8 029	13 181	24 788	9 785
Direct benefits in cash						
Contributory						
Retirement pension	1 497	1 437	467	209	138	749
Unemployment benefit	40	89	83	52	39	61
Invalidity pension and allowance	123	205	78	36	19	92
Statutory sick pay	-	14	29	34	36	23
Industrial injury disablement benefit	16	18	10	5	2	10
Sickness, industrial injury benefit	6	18	10	7	7	10
Widows' benefit	57	87	49	26	17	47
Maternity allowance	4	4	12	11	6	7
Christmas bonus for pensioners, etc	8	9	3	1	1	4
Non-contributory						
Supplementary benefit	728	279	76	64	54	240
Child benefit	161	164	267	318	278	238
Rent rebates and allowances	504	177	37	6	6	146
Attendance allowance	50	34	19	12	12	25
Mobility allowance	28	31	19	13	6	19
War pensions	19	14	6	7	5	10
Severe disablement allowance	40	28	24	14	8	23
Student maintenance awards	36	13	26	20	22	23
TOPS/YTS, etc, awards	6	13	14	31	21	17
Family income supplement	3	29	5	1	-	7
Other non-contributory benefits	45	62	17	8	2	27
Total	3 371	2 726	1 253	875	680	1 781
Gross income	3 500	5 523	9 281	14 056	25 468	11 566
Income tax and Employees' NIC						
Income tax	11	297	1 204	2 200	4 826	1 708
Employees' national insurance contributions	1	82	466	842	1 318	542
less: Tax relief at source[1]	17	53	184	335	491	216
Total	-5	326	1 486	2 707	5 653	2 034
Disposable income	3 505	5 197	7 795	11 349	19 815	9 533
Indirect taxes						
Domestic rates[2]	150	311	400	460	593	383
Taxes on final goods and services						
VAT	214	393	636	880	1 438	712
Duty on tobacco	137	179	220	240	234	202
Duty on beer and cider	24	46	83	121	158	86
Duty on wines	5	12	20	32	70	28
Duty on spirits	25	43	54	78	123	64
Duty on hydrocarbon oils	27	78	143	198	306	151
Car tax	1	8	22	29	64	25
Vehicle excise duty	15	43	67	91	126	68
Television licences	37	45	50	53	54	48
Stamp duty on house purchase	1	4	10	19	33	14
Customs' duties	12	18	27	36	53	29
Betting taxes	15	21	55	41	37	34
Other	11	13	17	21	29	18
Intermediate taxes						
Commercial and industrial rates	65	102	147	189	294	159
Employers' NI contributions	70	114	165	211	331	178
Duty on hydrocarbon oils	34	54	75	92	144	80
Vehicle excise duty	8	14	19	23	37	20
Other	28	46	67	86	131	72
Total indirect taxes	882	1 544	2 277	2 900	4 254	2 372
Income after cash benefits and all taxes	2 623	3 653	5 518	8 449	15 561	7 161
Benefits in kind						
Education	371	452	648	851	845	634
National health service	907	867	733	712	723	789
Housing subsidy	131	81	49	31	16	62
Rail travel subsidy	9	13	26	30	77	31
Bus travel subsidy	41	43	23	18	21	29
School meals and milk	47	42	25	24	16	31
Total	1 507	1 499	1 505	1 667	1 697	1 575
Final income	4 130	5 151	7 023	10 116	17 259	8 736

[1] On mortgage interest and life assurance premiums.
[2] Net of the rate rebate element of housing benefit, but including water, etc. charges.

Average incomes, taxes and benefits, 1986

By quintile groups of households ranked by gross income

TABLE 8

	£ per year					
	Quintile group					Average over all quintile groups
	1st	2nd	3rd	4th	5th	
Quintile points (£)	*4 184*	*7 455*	*11 553*	*17 034*		
Number of households in the sample	1 436	1 435	1 436	1 435	1 436	7 178
Original income	498	2 853	7 791	13 075	24 707	9 785
Direct benefits in cash						
Contributory						
Retirement pension	1 461	1 187	607	300	193	749
Unemployment benefit	29	84	86	61	43	61
Sickness/ injury related	80	205	191	119	81	135
Other contributory benefits	67	83	67	43	35	59
Total contributory benefits	1 637	1 559	951	523	353	1 004
Non-contributory						
Supplementary benefit	377	502	177	74	71	240
Child benefit	73	227	284	310	294	238
Rent rebates/ allowances	378	265	64	16	6	146
Sickness/ disablement related	26	131	115	61	55	78
Other non-contributory benefits	48	115	78	70	64	75
Total non-contributory benefits	902	1 241	718	531	491	776
Total cash benefits	2 539	2 800	1 669	1 054	843	1 781
Gross income	3 037	5 653	9 460	14 129	25 550	11 566
Income tax and Employees' NIC						
Income tax	51	317	1 157	2 200	4 813	1 708
National insurance contributions	11	122	449	821	1 306	542
less: Tax relief at source[1]	17	68	185	324	486	216
Total	45	371	1 421	2 697	5 633	2 034
Disposable income	2 993	5 282	8 039	11 432	19 917	9 533
Indirect taxes						
Domestic rates[2]	184	281	394	463	593	383
Taxes on final goods and services						
VAT	198	391	639	888	1 446	712
Duty on tobacco	102	198	234	236	240	202
Duty on beer	21	49	85	118	158	86
Duty on wines	6	11	19	33	70	28
Duty on spirits	24	38	59	77	124	64
Duty on hydrocarbon oils	28	75	146	198	306	151
Car tax	2	9	19	30	64	25
Vehicle excise duty	16	41	68	91	127	68
Television licences	37	45	50	53	55	48
Stamp duty on house purchase	2	4	10	20	33	14
Customs' duties	10	18	27	36	54	29
Betting taxes	13	21	55	41	37	34
Other	10	13	18	22	29	18
Intermediate taxes						
Commercial and industrial rates	62	102	147	191	296	159
Employers' NI contributions	67	114	164	213	334	178
Duty on hydrocarbon oils	32	55	75	93	145	80
Vehicle excise duty	7	14	19	23	38	20
Other	27	46	67	86	132	72
Total indirect taxes	846	1 525	2 294	2 913	4 279	2 372
Income after cash benefits and all taxes	2 146	3 757	5 745	8 520	15 638	7 161
Benefits in kind						
Education	174	560	677	859	898	634
National health service	793	859	806	725	759	789
Housing subsidy	106	97	56	33	15	62
Rail travel subsidy	8	15	21	34	76	31
Bus travel subsidy	39	40	25	20	22	29
School meals and milk	19	58	37	24	17	31
Total	1 140	1 629	1 623	1 695	1 788	1 575
Final income	3 286	5 386	7 368	10 214	17 426	8 736

[1] On mortgage interest and life assurance premiums.
[2] Net of the rate rebate element of housing benefit, but including water, etc. charges.

Distribution of households[1] co-operating in the Family Expenditure Survey, 1986

By decile groups of households ranked by original, gross, disposable, post-tax[2] and final incomes

TABLE 9

	Retired households		Non-retired households								
	1 adult	2 or more adults	1 adult	2 adults	3 or more adults	1 adult with children	2 adults 1 child	2 adults 2 children	2 adults 3 or more children	3 or more adults with children	All households
Decile groups of original income											
Bottom	258	96	106	46	8	91	30	37	36	10	718
2nd	374	185	45	33	3	37	11	13	13	3	717
3rd	217	236	72	62	15	49	20	20	15	12	718
4th	78	135	132	145	38	44	42	45	32	27	718
5th	30	75	145	183	56	26	71	73	32	27	718
6th	18	34	101	197	51	8	96	134	43	36	718
7th	6	22	73	210	87	4	90	110	56	60	718
8th	1	17	36	234	115	4	82	114	44	70	717
9th	2	10	27	228	148	3	54	117	33	96	718
Top	2	16	21	192	225	-	54	79	21	108	718
Total	986	826	758	1 530	746	266	550	742	325	449	7 178
Decile groups of gross income											
Bottom	488	10	147	21	1	33	8	7	3	-	718
2nd	308	156	83	49	1	86	25	6	3	1	718
3rd	82	262	101	79	6	74	32	51	26	4	717
4th	49	136	120	165	34	37	49	51	48	29	718
5th	26	98	104	192	43	16	77	87	44	31	718
6th	17	64	79	191	67	8	87	128	40	37	718
7th	8	40	51	226	83	6	90	108	51	55	718
8th	5	25	32	216	133	3	74	106	50	73	717
9th	-	18	21	216	149	3	55	118	37	101	718
Top	3	17	20	175	229	-	53	80	23	118	718
Total	986	826	758	1 530	746	266	550	742	325	449	7 178
Decile groups of disposable income											
Bottom	480	11	151	24	1	33	7	6	5	-	718
2nd	332	128	112	41	2	76	20	6	1	-	718
3rd	76	256	126	85	5	72	37	43	12	5	717
4th	47	152	117	161	26	38	51	59	46	21	718
5th	26	86	89	213	35	24	78	88	46	33	718
6th	14	83	64	200	69	7	77	119	53	32	718
7th	4	41	37	236	80	7	92	112	50	59	718
8th	4	33	25	209	143	5	80	103	51	64	717
9th	1	20	22	194	162	3	56	118	35	107	718
Top	2	16	15	167	223	1	52	88	26	128	718
Total	986	826	758	1 530	746	266	550	742	325	449	7 178
Decile groups of post-tax income [2]											
Bottom	328	55	168	54	8	50	18	20	12	5	718
2nd	389	82	111	50	9	45	15	12	2	3	718
3rd	146	214	99	85	10	62	36	40	19	6	717
4th	60	174	111	134	29	47	51	60	33	19	718
5th	28	93	92	203	43	31	70	77	48	33	718
6th	17	78	68	202	62	16	68	114	55	38	718
7th	9	52	36	218	95	8	107	95	46	52	718
8th	3	39	28	194	137	4	69	111	48	84	717
9th	3	16	22	209	157	-	62	119	36	94	718
Top	3	23	23	181	196	3	54	94	26	115	718
Total	986	826	758	1 530	746	266	550	742	325	449	7 178
Decile groups of final income											
Bottom	324	40	236	65	8	21	11	9	3	1	718
2nd	369	75	117	72	12	45	16	7	4	1	718
3rd	190	189	122	106	12	45	32	16	2	3	717
4th	51	197	99	193	25	51	56	40	2	4	718
5th	29	126	71	228	47	32	74	78	18	15	718
6th	12	85	37	222	72	37	91	98	40	24	718
7th	3	44	29	182	119	17	93	128	54	49	718
8th	5	33	18	193	126	9	68	126	79	60	717
9th	-	17	16	139	150	6	59	128	79	124	718
Top	3	20	13	130	175	3	50	112	44	168	718
Total	986	826	758	1 530	746	266	550	742	325	449	7 178

[1] See appendix 2 for definitions of retired households, adults and children.
[2] Income after cash benefits and all taxes but before benefits in kind.

Percentage distribution of original, disposable, post-tax, and final income, households re-ranked at each stage, 1975-86

TABLE 10

	1975	1977	1979	1981	1983	1985	1986
Original income							
Quintile group							
Bottom	0.8	0.6	0.5	0.6	0.3	0.3	0.3
2nd	10	10	9	8	7	6	6
3rd	19	19	19	18	18	17	16
4th	26	27	27	27	27	27	27
Top	44	44	45	46	48	49	51
All households	100	100	100	100	100	100	100
Disposable income							
Quintile group							
Bottom	6.6	6.9	6.5	6.7	6.8	6.5	6.2
2nd	13	13	12	12	12	11	11
3rd	18	18	18	18	18	17	17
4th	24	24	25	24	24	24	24
Top	38	38	39	39	40	41	42
All households	100	100	100	100	100	100	100
Income after cash benefits and all taxes							
Quintile group							
Bottom	6.2	6.4	6.1	6.0	6.0	5.6	5.1
2nd	12	12	11	11	11	11	10
3rd	18	18	18	17	17	17	16
4th	24	24	25	24	24	24	24
Top	39	39	40	41	42	43	45
All households	100	100	100	100	100	100	100
Final income							
Quintile group							
Bottom	7.1	7.3	7.1	7.2	6.9	6.7	6.3
2nd	13	13	12	12	12	12	11
3rd	18	18	18	18	18	17	17
4th	24	24	24	24	24	24	24
Top	38	38	38	39	39	40	42
All households	100	100	100	100	100	100	100

Gini coefficients for the distribution of income at each stage of the tax-benefit system, 1975-86

TABLE 11

	1975	1977	1979	1981	1983	1985	1986
Gini coefficients (per cent)							
Original income	43	44	45	47	49	51	52
Gross income	35	34	35	36	36	38	40
Disposable income	32	31	33	33	33	35	36
Income after cash benefits and all taxes	33	33	35	36	36	38	40
Final income	31	31	32	32	33	34	36

APPENDIX 2

METHODOLOGY AND DEFINITIONS

The allocation of government expenditure and its financing

1. There are considerable difficulties in moving from the aggregates of government expenditure and financing published in the *United Kingdom National Accounts* - the CSO Blue Book - to apportioning taxes and benefits to individual households. We can obtain information about the types of household that receive cash benefits and pay direct taxes through surveys such as the Family Expenditure Survey (FES). From the replies respondents give to questions on their expenditure we can impute their payments of indirect taxes, and from information they supply about such factors as their ages and the number of children in the household we can estimate the average costs of providing them with social services, such as health and education. But there are other kinds of financing, such as corporation tax and government receipts from public corporations, which most people would probably not think of as leading to a reduction in their personal incomes, and therefore no attempt is made in this analysis to apportion them to households. Similarly, there are other items of government expenditure, such as capital expenditure and expenditure on defence and on the maintenance of law and order, for which there is no clear conceptual basis for allocation, or for which we do not in any event have sufficient information to make an allocation.

Family Expenditure Survey

2. The estimates in this article are based mainly on data derived from the FES. The FES is a continuous survey of the expenditure of private households. People living in hotels, lodging houses, and in institutions such as old peoples' homes are excluded. Each adult keeps a full record of payments made during 14 consecutive days and answers questions about hire purchase and other payments. The respondents also give detailed information, where appropriate, about income (including cash benefits received from the state) and payments of income tax. Information on age, occupation, education received, family composition and housing tenure is also obtained.

3. One of the main purposes of the FES is to yield information on household expenditure patterns to produce the weights used in compiling the index of retail prices. The survey is conducted by the Office of Population Censuses and Surveys on behalf of the Department of Employment who analyse and report on it. The revised Family Expenditure Survey Report for 1986, containing detailed data on household characteristics, income, and expenditure, was published in July 1988. Details of the survey method are set out in Family Expenditure Survey Handbook by W F F Kemsley, R U Redpath and M Holmes. Both are published by Her Majesty's Stationery Office.

4. The number of households in the United Kingdom responding to the FES in 1986 was 7,178. The response rate in Great Britain was 69 per cent. The available evidence suggests that older households, households where the head is self-employed, those without children and higher income households, are less likely to co-operate than others (see 'Family Expenditure Survey: a second study of differential response, comparing Census characteristics of FES respondents and non-respondents' by Bob Redpath, *Statistical News No 72*, February 1986, (HMSO)). In addition response in Greater London is noticeably lower than in other areas. However at present the results in this article are based on the responses of those households which actually co-operated in the survey and they are not reweighted. This means that some of the figures differ from those produced by other surveys such as the Survey of Personal Incomes.

Unit of analysis

5. The basic unit of analysis in the article is the household, and not the family, individual or tax unit. A household is defined in the FES as comprising people who live at the same address and who share common catering for at least one meal a day. Spending on many items, particularly on food, housing, fuel and light, is largely joint spending by the members of the household. Without further information or assumptions it is difficult to apportion indirect taxes between individuals or other sub-divisions of households.

6. In classifying the households, adults have been taken as all people aged 16 and over. Most of the 'extra' adults in households with at least three adults are sons or daughters of the head of household rather than retired people.

7. A retired household is defined as one where the combined income of retired members amounts to at least half the total gross income of the household, where a retired person is defined as anyone who describes themselves as 'retired' or anyone over minimum NI pension age describing themselves as 'unoccupied' or 'sick or injured but not intending to seek work'.

8. By no means all retired people are in retired households; about one in six households comprising three or more adults contain retired people, for example, and households comprising one retired and one non-retired adult are often classified as non-retired.

9. The sample households have been classified according to their compositions at the time of the interview and it is particularly important to bear this in mind for households comprising one adult with children - it is likely that many of these households changed their composition at some time during the year.

10. Economically active people comprise employees, the self-employed and others not in employment but who are seeking or intending, when able, to seek work. In 1982 there were changes in the FES in the definition relating to economic activity. The effect of these changes is to exclude all those out of employment for more than a year rather than five years. This exclusion applies regardless of the fact that they may still describe themselves as seeking work. Also excluded are those who have not been in paid employment since leaving full-time education unless they have worked within the previous year; certain of the part-time self-employed with very small incomes; and those whose only economic activity is working as mail-order agents or baby-sitters.

Income: redistributive stages

11. Stage one

Original income plus cash benefits = Gross income.

Stage two

Gross income minus income tax and employees' National Insurance contributions = Disposable income.

Stage three

Disposable income minus indirect taxes = Income after cash benefits and all taxes.

Stage four

Disposable income minus indirect taxes plus 'benefits in kind' = Income after all taxes and benefits (final income).

12. The starting point of the analysis is original income. This is the annual income in cash and kind of all members of the household before the deduction of taxes or the addition of any state benefits. It includes income from employment, self-employment, investment income and occupational pensions. Employment income is based on the last payment received before the interview or, where different, the amount usually received. Allowance is made for any periods of absence from work through sickness and unemployment in the preceding 12 months, and for bonuses. Income from self-employment is recorded in the FES for a past period. This is brought up to current levels using the average earnings index. Income from interest, dividends and rent is taken as the amount received in the 12 months before the interview. Income from occupational pensions is based on the last payment received.

13. Households living in rent-free dwellings are each assigned an imputed income based upon the rateable value of the dwelling. This is counted as employment income if the tenancy depends on the job.

14. The next stage of the analysis is to add cash benefits to original income to obtain gross income. This is slightly different to the 'gross normal weekly income' used in the FES Report, mainly because it excludes the imputed rent of owner-occupiers. Cash benefits are:

Contributory:

Retirement pension and Christmas bonus, unemployment benefit, sickness and industrial injury benefit, statutory sick pay, invalidity pension and allowance, industrial injury disablement benefits, widows' benefits, maternity allowance.

Non-contributory:

Supplementary benefit, child benefit, rent rebates and allowances, attendance allowance, mobility allowance, war pensions, severe disablement allowance, family income supplement, old persons pension, government training scheme allowance (YTS etc.), student maintenance grant, maternity grant.

15. Statutory Sick Pay is classified as a cash benefit even though it is paid through the employer.

16. Income from short-term benefits is taken as the product of the last weekly payment and the number of weeks the benefit was received in the 12 months prior to interview. Income from long-term benefits, and from rent rebates and allowances, is based on current rates.

17. Income Tax and employees' and self-employed contributions to National Insurance and National Health services are then deducted to give disposable income. Taxes on capital, such as capital gains tax and inheritance tax, are not included in these deductions because of the lack of data from the FES on their payment.

18. The tax estimates are based on the amount deducted from the last payments of employment income and pensions, and on the amount paid in the last 12 months in respect of income from self-employment, interest, dividends and rent. The income tax payments recorded will therefore take account of a household's tax allowances, with the exception of tax relief obtained 'at source'. In 1986 there were two types of tax relief obtained in this way: mortgage interest relief and life assurance premium relief. Where households are eligible for these reliefs imputations are made and deducted from recorded income tax payments. In the case of mortgage interest relief obtained through the MIRAS scheme, which was introduced in April 1983, these imputations are based on the interest component of the latest mortgage repayment.

19. As original income includes some elements not actually received in cash, disposable income as defined here does not correspond exactly to money available for the household to spend. It does however give an indication of the resources which are available to the household, and which influence spending decisions.

20. The order in which the remaining allocated items are presented is to some extent arbitrary.

21. Indirect tax on final consumer goods and services include:

Local authority rates on dwellings (after rebates)
Duties on beer, wines, spirits, tobacco, oil, betting, etc
Value Added Tax (VAT)
Customs (import) duties
Car tax
Motor vehicle duties
Driving licences
Stamp duties
Gas levy

22. These taxes are either levied directly on the consumer (for example domestic rates) or are assumed to be fully incident on the consumer. For example, the amount of VAT which is paid by the household is calculated from the household's total expenditure on goods and services subject to VAT.

23. The figures for domestic rates include, as well as local authority rates, charges made by water authorities for water, environmental and sewerage services, although these charges to households in England and Wales are no longer counted as general government receipts in the National Accounts. (In Scotland these payments go to the local authorities and are so counted.) Local authority rates are shown net of all rebates received through the Housing Benefit scheme, including those received by Supplementary Benefit recipients. (The rent rebate element of Housing Benefit is shown as an income-related cash benefit.)

24. VAT and car tax affect the prices of secondhand cars and are therefore assumed to be incident on the purchasers of such cars as well as on the purchasers of new cars. In allocating taxes, expenditures recorded in the FES on alcoholic drink, tobacco, ice cream, soft drinks and confectionery are grossed up to allow for the known under-recording of these items in the sample. The true expenditure in each case is assumed to be proportional to the recorded expenditure.

25. The incidence of stamp duty on house purchase on an owner-occupying household has been taken as the product of the hypothetical duty payable on buying their current dwelling (estimated from rateable values) and the probability of a household of that type moving in a given year (estimated from the General Household Survey).

26. Indirect taxes on intermediate goods and services are:

Local authority rates on commercial and industrial property
Motor vehicle duties
Duties on hydrocarbon oils
Employers' contributions to National Insurance, the National Health Service, the industrial injuries fund and the redundancy payments scheme
Customs (import) duties
Stamp duties
VAT

27. These are taxes that fall on goods and services purchased by industry. Only the elements attributable to the production of subsequent goods and services for final consumption by the UK personal sector are allocated in the article, being assumed to be fully shifted to the consumer. Their allocations between different categories of consumers' expenditure are based on the relation between intermediate production and final consumption using input-output techniques.

28. Finally, we add those benefits in kind provided to households by government for which there is a reasonable basis for allocation to households, to obtain final income. Benefits in kind are:

State education
School meals and milk
National Health service
Housing subsidy
Railway travel subsidy
Bus travel subsidy

29. Education benefit is estimated by the Department of Education and Science as the cost per pupil or student in special schools, primary and secondary schools, universities, and other further education establishments. The value of the benefit attributed to a household depends on the number of people in the household recorded in the FES as receiving each kind of education (students away from home are excluded).

30. The value of school meals and other welfare foods is based on their cost to the public authorities. Any payment by the individual household is subtracted to arrive at a net contribution.

31. Each individual in the FES is allocated a benefit from the National Health Service according to the estimated average use made of the various types of health service by people of the same age and sex, and according to the total cost of providing those services. The benefit from maternity services is assigned separately to those households receiving maternity grant.

32. In this article public sector tenants are defined to include the tenants of local authorities, New Town Corporations, the Scottish Special Housing Association (SSHA), Northern Ireland Housing Executive (NIHE) and housing associations. The total housing subsidy includes the contribution from rate funds and from central government to the housing revenue accounts of local authorities; and grants paid to the New Town Corporations, the SSHA, the NIHE and housing associations. Within Greater London, the rest of England, Wales, Scotland and Northern Ireland each public sector tenant has been allocated a share of the region's total relevant subsidy based on the gross rateable value of his dwelling. Housing subsidy does not include mortgage interest tax relief, rent rebates and allowances or rate rebates (see paragraphs 18, 14 and 23 respectively).

33. The rail travel subsidies allocated are those to British Rail passenger operations and the London Underground. The subsidy to London and South East services is allocated to households living in the area and subsidies to provincial services to households living outside the South East, in proportion to households' expenditure on rail fares as recorded in the FES. A single allocation of the subsidy to inter-city services was made by dividing that subsidy between all households in proportion to their recorded expenditure on rail fares. In making both these allocations allowances are made for the use of rail travel by the business sector, tourists and the institutional part of the personal sector.

34. In this article, bus travel subsidy covers both the cost of concessionary travel schemes for senior citizens and others, and subsidies to operators. The method used to allocate the cost of concessionary fares is to derive valuations for the various types of passes from a comparison of recorded expenditure in the FES on bus travel by holders of 'free' and 'half-fare' passes. Separate allocations are then made for Greater London, the other metropolitan areas and the rest of the United Kingdom. Using aggregates of fares, subsidies to operators and the cost of concessionary fares and after making allowances for the use of road passenger transport by tourists, the business sector and institutional part of the personal sector, the total cost of providing bus travel to households in these three areas is estimated and this is then divided between households according to their usage of buses. This usage figure is derived from FES expenditure data and the value of concessionary passes estimated as described above. The amount of bus travel subsidy allocated to each household is then the cost of the bus travel provided less any payments made.

35. It must be emphasised that the analysis in this article provides only a very rough guide to the kinds of household which benefit from government expenditure, and by how much, and to those which finance it. Apart from the fact that large parts of expenditure and receipts are not allocated, the criteria used both to allocate taxes and to value and apportion benefits to individual households could be regarded as too simplistic. For example, the lack of data forces us to assume that the incidence of direct taxes falls on the individual from whose income the tax is deducted. This implies that the benefit of tax relief for mortgage interest, for example, accrues directly to the taxpayer rather than to some other party, for instance, the vendor of the land. It also implies that the working population is not able to pass the cost of the direct tax back to employers through lower profits, or to consumers through higher prices. And, in allocating indirect taxes we assume that the part of the tax falling on consumers' expenditure is borne by the households which buy the item or the service taxed, whereas in reality the incidence of the tax is spread by pricing policies and probably falls in varying proportions on the producers of a good

or service, on their employees, on the buyer, and on the producers and consumers of other goods and services. Another example is that we know only an estimate of the total financial cost of providing benefits such as education, and so we have to treat that cost as if it measured the benefit which accrues to recipients of the service. In fact, the value the recipients themselves place on the service may be very different to the cost of providing it; moreover, there may be households in the community, other than the immediate beneficiaries, who receive a benefit indirectly from the general provision of the service.

Gini coefficient

36. The Gini coefficient is the most widely used summary measure of the degree of inequality in an income distribution. It can most easily be understood by considering a Lorenz curve of the income distribution, ie a graph of the cumulative income share against the cumulative share of households. The curve representing complete equality of income is thus a diagonal line while complete inequality (with only one recipient of income) is represented by a curve comprising the horizontal axis and the right-hand vertical axis. The area between the Lorenz curve and the diagonal line of complete equality, as a proportion of the triangular area between the curves of complete equality and inequality, gives the value of the Gini coefficient. Thus a distribution of perfectly equal incomes has a Gini coefficient of zero; as inequality increases (and the Lorenz curve bellies out), so does the Gini coefficient until, with complete inequality, it reaches its maximum value of 1 (or 100 per cent).

Previous articles

37. This article is the latest in an annual series. Earlier articles covering the years 1957 to 1985 were published in the following issues of Economic Trends: November 1962, February 1964, August 1966, February 1968, 1969, 1970, 1971, 1972, November 1972 and 1973, December 1974, February 1976, December 1976, February 1978, January 1979, 1980, 1981 and 1982, December 1982, November 1983, December 1984, December 1985, July 1986, November 1986 and July 1987.

38. The results in this article for 1986 are designed to be freestanding: they are *not* designed for direct comparison with previous years except where some limited comparisons are made in the article. Such comparisons are fraught with difficulty because of changes in definitions eg housing benefit in 1983. However, some broader measures like the Gini coefficients quoted in this article are relatively robust and will stand comparison with earlier years. Enquiries should be addressed to Dave Westcott, Branch 8, Central Statistical Office, Great George Street, London SW1P 3AQ.

Employment in the public and private sectors 1982 to 1988

A. FLEMING,

Introduction

This article is similar in analysis and format to that of last year, in that it is concerned with the last seven years whilst giving long run data in Table 1 of Appendix 1. It does, however, contain one significant change. The term 'workforce in employment' has replaced 'employed labour force', used previously. Workforce in employment differs from employed labour force in that it includes those on work related government training programmes[1] as well as employees in employment, the self-employed, and HM forces. This change is consistent with International Labour Office guidelines (for further details, see page S6 of the August 1988 issue of 'Employment Gazette'). Since work related government training programmes cannot be disaggregated by sector or by industry, they have been excluded from Appendix 1 Table 2, and the category 'employed labour force' has been retained.

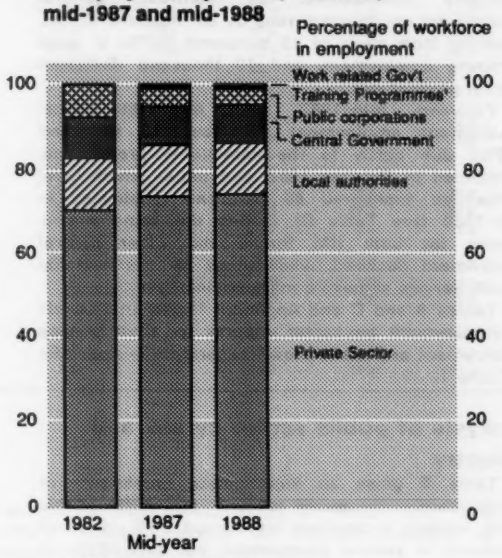
Workforce in Employment

Estimates [2] of the total workforce in employment show an increase of 443 thousand between mid-1987 and mid-1988, giving a total of 25,749 thousand. This is the fifth successive year in which the the workforce in employment has increased, rising by 2.1 million since mid-1983.

Analysis by sector

Of the estimated workforce in employment of 25.75 million at mid-1988, some 19.1 million (74.2%) were employed in the private sector. Of the remainder, 6.3 million (24.5%) were employed in the public sector, whilst 345 thousand (1.3%) were employed on work related government training programmes. Public sector employees included 3.1 million (12%) employed by local authorities, 2.3 million (9%) by central government, and 0.9 million (3.6%) by public corporations (see Chart 1). Between mid-1982 and mid-1988, the public sector share of the total workforce in employment fell from 29.4% to 24.5%. Within general government (i.e. central government and local authorities), the largest

CHART 1
Percentage shares in total UK workforce in employment by sector, mid-1982, mid-1987 and mid-1988



1. Not a separate category prior to 1983, but included within other sections

United Kingdom workforce in employment: analysed by sector

TABLE A

	Numbers employed at mid-year			Changes in numbers employed at mid-year			
	1982	1987	1988	1982 to 1988		1987 to 1988	
	Thousands	Thousands	Thousands	Thousands	Percentage change	Thousands	Percentage change
Total workforce in employment	23,908	25,306	25,749	+1841	+7.7	+443	+1.8
Private sector	16,887	18,625	19,077	+2190	+13.0	+452	+2.4
Public sector	7,021	6,370	6,327	-694	-9.9	-43	-0.7
Work related gov't training programmes	-	311	345	-	-	+34	+10.9
Public sector components							
Public corporations	1,756	996	924	-832	-47.4	-72	-7.2
General government	5,265	5,374	5,403	+138	+2.6	+29	+0.5
Central government	2,400	2,312	2,322	-78	-3.3	+10	+0.4
H.M. Forces	324	319	316	-8	-2.5	-3	-0.9
National Health Service	1,227	1,212	1,228	+1	+0.1	+16	+1.3
Other	849	781	778	-71	-8.4	-3	-0.4
Local authorities	2,865	3,062	3,081	+216	+7.5	+19	+0.6
Education	1,434	1,486	1,504	+70	+4.9	+18	+1.2
Social services	352	398	405	+53	+15.1	+7	+1.8
Police	186	191	194	+8	+4.3	+3	1.6
Other	893	987	978	+85	+9.5	-9	-0.9

employers were the National Health Service and education, together accounting for around 51% of the 5.4 million employees (all UK NHS data for 1988 in this article includes figures for England relating to September 1987, as these are the latest available).

Between mid-1987 and mid-1988, employment by public corporations fell by 72 thousand (7.2%), of which slightly over half was due to the privatisation of BAA plc and of the remaining National Bus Company subsidiaries. By contrast, general government employment rose by 29 thousand (0.5%), resulting from rises of 19 thousand (0.6%) in local authority employment, and 10 thousand (0.4%) in central government.

Between mid-1982 and mid-1988, local government employment rose by 216 thousand (7.5%), due partly to the community programme, introduced in October 1982, and under which local authorities sponsored 89 thousand employees in mid-1988 (see Table D). During the same period, figures for both HM forces and other central government declined, while those for the National Health Service showed a marginal increase.

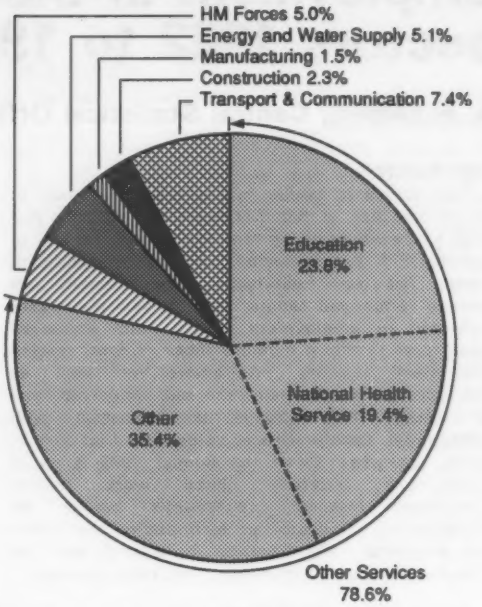
Tables A and C and Appendix 1 give an analysis of employment by sector. Figures for Civil Service employment are again shown seperately in Appendix 1 (Table 1).

Analysis of public sector by sex and industry

Table B gives an approximate breakdown of employment in the public sector in mid-1988. At this point, women accounted for around 58% of those employed in general government, but only 43.5% of full-time employees, reflecting the large number of women working on a part-time basis in education and the National Health Service. Male employees outnumbered females in the *forces*, *other central government*, *police* and *other local authority* categories whereas the *NHS*, *education* and *social services* employ more women than men. Of those employed by public corporations, almost one seventh were women. Public corporations are also notable for the relatively small number of part-time workers they employ.

Chart 2 depicts the approximate proportions of public sector employment in the main industry groups in mid-1988. Almost four fifths of public sector employment is in the *other services* category, which includes the NHS and local authority education. Of the other categories, *transport and communications* make up around one-thirteenth and the *production* industries (manufacturing, construction and energy and water supply) about one-eleventh of total public sector employment.

CHART 2
Analysis of Public sector employment by industry group, mid-1988



Full-time equivalent employment

The figures in the main tables in this article are on a headcount basis, i.e. no distinction is drawn between full- time and part-time workers. This is the only basis on which comparable figures are available for the economy as a whole. However, part-time workers form an integral part of the government sector. This is most evident in the health and education services.

To provide a more appropriate measure of manpower inputs, therefore, many of the institutions in the public sector count their part-time workers in

United Kingdom public sector employment: mid-1988

TABLE B

Millions

	Total number employed	Male			Female		
		Total	Full-time	Part-time	Total	Full-time	Part-time
Total public sector	6.33	3.04	2.91	0.13	3.29	1.75	1.54
Public corporations	0.92	0.79	0.78	0.01	0.13	0.11	0.02
Nationalised industries	0.79	0.69	0.68	0.01	0.10	0.08	0.02
Other	0.13	0.10	0.10	-	0.03	0.03	-
General government	5.41	2.25	2.13	0.12	3.16	1.64	1.52
Central government	2.33	0.99	0.97	0.02	1.34	0.84	0.50
H.M. Forces	0.32	0.30	0.30	-	0.02	0.02	-
National Health Service	1.23	0.26	0.24	0.02	0.97	0.52	0.47
Other	0.78	0.43	0.43	-	0.35	0.30	0.05
Local authorities	3.08	1.26	1.16	0 10	1.82	0.80	1.02
Education	1.50	0.40	0.33	0.07	1.10	0.44	0.66
Social services	0.40	0.05	0.05	-	0.35	0.13	0.22
Police	0.19	0.15	0.14	0.01	0.04	0.03	0.01
Other	0.99	0.86	0.84	0.02	0.33	0.20	0.13

Note. Components may not add to totals due to rounding

Share of total United Kingdom workforce in employment: analysis by sector and industry

TABLE C

Mid-year percentages

	1982	1983	1984	1985	1986	1987	1988
Workforce in employment (000's)	23908	23626	24235	24618	24756	25306	25749
Workforce in employment	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Work related gov't training programmes	-	0.1	0.7	0.7	0.9	1.2	1.3
HM Forces	1.4	1.4	1.4	1.3	1.3	1.3	1.2
Total civilian employment	98.6	98.6	97.9	98.0	97.8	97.5	97.5
Private sector	70.6	70.5	70.8	72.6	72.7	73.6	74.1
Public sector	28.0	28.1	27.1	25.4	25.1	23.9	23.4
Civilian employment							
Agriculture, forestry and fishing	2.6	2.6	2.6	2.5	2.4	2.3	2.3
Private sector	2.6	2.6	2.6	2.5	2.4	2.3	2.3
Public sector	-	-	-	-	-	-	-
Production industries	34.2	33.0	31.9	31.1	30.2	29.4	28.8
Private sector	29.9	29.0	28.1	27.8	27.1	27.1	26.6
Public sector	4.2	4.0	3.7	3.4	3.1	2.4	2.2
Transport and communications	6.2	6.1	6.0	5.9	5.9	5.9	6.0
Private sector	2.4	2.4	2.5	3.5	3.6	3.9	4.2
Public sector	3.8	3.7	3.5	2.4	2.3	2.0	1.8
Other services	55.7	56.9	57.5	58.4	58.4	59.8	60.4
Private sector	35.7	36.6	37.6	38.8	38.7	40.3	41.1
Public sector	20.0	20.4	19.9	19.6	19.7	19.5	19.3

Note. Components may not add to totals due to rounding.

terms of full-time equivalents. This analysis apppears in table 1 in Appendix 1. Measuring full-time equivalents is an imprecise process, with each institution having its own convention for making the calculation. The most detailed calculation is made for the National Health Service, where a full-time equivalent is recorded for each individual. This is based on their contracted hours and the standard hours for the grade. For example, if an individual contracts to work 36 hours a week when the standard full-time equivalent is 40 hours then their full-time equivalent is 0.9. This system, however, does not take account of overtime or short time worked in particular periods, and consequently nobody can have a full-time equivalent of more than 1. As a consequence, when the length of the standard working week is changed it affects the number of full-time equivalents even if the number of part-time hours worked is unchanged. Full-time equivalent figures for the National Health Service for years before 1983 relate to 30 September each year; since 1983, they are largely based on 30 June data (except for 1987 which is at 31 March, and 1988 which includes figures for England relating to September 1987).

The full-time equivalents for local authorities are derived by applying factors to the part-time workers in three groups based on average hours worked in each group nationally. The groups and factors for England and Wales are:

Non-manual employees	
further education	0.11
other	0.53
Manual workers	0.41

In other parts of the public sector part-timers have been taken as half units.

On both the headcount and full-time equivalent basis public sector manpower has fallen annually since 1979. For the period covered by this article, since 1982, public sector employment has fallen by 10% on a headcount basis, and by 13.5% in full-time equivalent terms. In both cases, a significant proportion of this fall stems from privatisation of

Community Programme employees sponsored by local authorities

TABLE D

Mid-year thousands

	1983	1984	1985	1986	1987	1988
Full time equivalents	22.5	45.0	51.6	66.3	72.2	67.0
Headcount	26.7	58.1	67.4	88.1	96.0	89.1

public corporations (further details are given in Appendix 2): if these re-classified corporations are excluded, the scale of the reductions diminishes to 3% on a headcount basis, and 6% in full-time equivalents. General government employment increased by 2.6% in headcount terms, but fell by 0.2% in full-time equivalents. Similarly, full-time equivalent employment in the National Health Service fell by 2.7% over the same period, but rose by 0.1% in headcount terms. By contrast other central government civilian staff fell by between 8-9% on both headcount and full-time equivalents bases.

Local authority employment rose by 7.5% on a headcount basis, but only 4.6% in full-time equivalents. If community programme employees are excluded, local authorities show a rise of 4.4% in headcount terms, and only 1.7% in full-time equivalents.

(1) Participants in the YTS who receive work experience except those who have contracts of employment (these are included in 'employees in employment'), plus participants in the new JTS and some trainees on similar Northern Ireland schemes.
(2) Figures for the third quarter of 1988 are available from the Dep't. of Employment from 19 January 1989.

APPENDIX 1

UK public sector employment 1961-1988 by major categories

TABLE 1

Mid-year	General government						
	Central government				L		
	HM Forces	National Health Service	Other central govern-ment	Total central govern-ment	Education	Social services	s
Headcount							
1961	474	575	741	1 790	785	170	
1962	442	598	745	1 785	840	179	
1963	427	612	749	1 788	870	188	
1964	424	627	743	1 794	925	200	
1965	423	650	743	1 816	962	209	
1966	417	676	749	1 842	1 013	228	
1967	417	690	789	1 896	1 072	239	
1968	400	710	799	1 909	1 132	249	
1969	380	716	794	1 890	1 189	257	
1970	372	741	818	1 931	1 241	265	
1971	368	785	813	1 986	1 297	276	
1972	371	821	813	2 005	1 365	295	
1973	361	848	815	2 024	1 436	315	
1974	345	911	884	2 140	1 453	272	
1975	336	1 042	923	2 301	1 508	309	
1976	336	1 092	936	2 364	1 521	319	
1977	327	1 099	932	2 358	1 506	322	
1978	318	1 120	926	2 364	1 512	334	
1979	314	1 152	921	2 387	1 539	344	
1980	323	1 174	896 [2]	2 393 [2]	1 501	346	
1981	334	1 207	878	2 419	1 454	350	
1982	324	1 227	849	2 400	1 434	352	
1983	322	1 227	835	2 384	1 434	360	
1984	326	1 223	810	2 359	1 430	368	
1985	326	1 223	811	2 360	1 429	376	
1986	322	1 215	800	2 337	1 452	387	
1987	319	1 212	781	2 312	1 486	398	
1988	316	1 228	778	2 322	1 504	405	
Full-time equivalent							
1977	327	947	866	2 140	1 099	222	
1978	318	957	885	2 140	1 105	228	
1979	314	977	897	2 188	1 110	235	
1980	323	1 001	872	2 196	1 087	235	
1981	334	1 038	853	2 225	1 058	240	
1982	324	1 047	827	2 198	1 041	241	
1983	322	1 047	812	2 181	1 034	246	
1984	326	1 036	787	2 149	1 027	251	
1985	326	1 030	788	2 144	1 021	256	
1986	322	1 018	776	2 116	1 029	263	
1987	319	1 016	756	2 091	1 043	271	
1988	316	1 017	751	2 084	1 046	277	

1 Appendix 2 gives details of the definitions and coverage of the sectors and sources of the statistics and many changes in them between 1961 and 1988 except in the case of the Civil Service which is documented back to

2 The establishment of HMSO from 1 April 1980 as a trading body implies the transfer of about 6,000 to public corporations.

3 British Aerospace was reclassified to the private sector in February 1981 reducing public corporations employm about 23 000.

4 Cable and Wireless was reclassified to the private sector in October 1981 and National Freight Corporation in February 1987 together reducing public corporations by about 28 000.

5 Britoil was reclassified to the private sector in October 1982 and Associated British Ports in February 1983 red public corporations by about 14 000.

6 Enterprise Oil was reclassified to the private sector in June 1984, reducing public corporations by a negligible

gories [1]

Thousands

nt	Local authorities					Public corporations				
ocial ices	Con-struction	Police (incl. civilians)	Other local authorities	Total local authorities	Total general govern-ment	Nation-alised industries	Other public corpora-tions	Total public corpora-tions	Total public sector	Of which: Civil Service
170	103	106	703	1 870	3 660	2 152	48	2 200	5 860	672
179	108	111	701	1 940	3 725	2 120	76	2 196	5 921	676
188	117	115	719	2 008	3 796	2 010	126	2 136	5 932	685
200	124	116	724	2 088	3 882	1 949	130	2 079	5 961	683
209	137	121	725	2 154	3 970	1 894	131	2 025	5 995	668
228	133	126	758	2 259	4 101	1 839	123	1 962	6 063	678
239	135	133	785	2 364	4 260	2 030	134	2 164	6 424	701
249	135	138	791	2 444	4 353	1 941	128	2 069	6 422	709
257	132	141	787	2 505	4 395	1 916	125	2 041	6 436	701
265	128	145	781	2 559	4 490	1 879	146	2 025	6 515	722
276	124	152	803	2 652	4 618	1 856	153	2 009	6 627	727
295	128	159	824	2 771	4 776	1 769	160	1 929	6 705	702
315	130	162	848	2 890	4 914	1 731	159	1 890	6 804	706
272	135	160	762	2 782	4 922	1 777	208	1 985	6 907	705
309	164	171	765	2 917	5 218	1 816	219	2 035	7 253	723
319	165	175	776	2 958	5 320	1 752	228	1 980	7 300	760
322	155	172	766	2 921	5 279	1 866	223	2 089	7 368	755
334	155	170	761	2 932	5 296	1 844	217	2 061	7 357	745
344	156	176	782	2 997	5 384	1 849	216	2 065	7 449	738
346	152	181	776	2 956	5 349	1 816	222 [2]	2 038	7 387	714
350	143	186	766	2 899	5 318	1 657 [3]	210	1 867 [3]	7 185	698
352	132	186	761	2 865	5 265	1 554 [4]	202 [4]	1 756 [4]	7 021	671
360	130	187	795	2 906	5 290	1 465 [5]	198	1 662 [5]	6 952	654
368	126	187	831	2 942	5 301	1 416 [6]	195	1 610 [6]	6 911	630
376	125	187	841	2 958	5 318	1 137 [7]	125	1 261 [7]	6 579	608
387	125	188	858	3 010	5 347	1 065	134	1 199	6 546	610
398	128	191	859	3 062	5 374	870 [8]	126	996 [8]	6 370	599
405	125	194	853	3 081	5 403	798 [9]	126	924 [9]	6 327	593
222	152	168	683	2 324	4 464	1 835	223	2 058	6 522	740
228	152	165	675	2 325	4 465	1 843	217	2 060	6 525	731
235	150	172	701	2 368	4 556	1 818	216	2 034	6 590	724
235	146	176	699	2 343	4 539	1 785	222	2 007	6 546	700
240	136	180	692	2 306	4 531	1 656	206	1 862	6 393	684
241	131	180	681	2 274	4 472	1 538	198	1 736	6 208	659
246	130	182	709	2 301	4 482	1 444	197	1 641	6 123	643
251	126	182	734	2 320	4 469	1 396	193	1 589	6 058	619
256	125	182	741	2 325	4 469	1 124	123	1 247	5 716	596
263	125	184	751	2 352	4 468	1 049	132	1 182	5 650	597
271	128	186	749	2 377	4 468	856	124	980	5 448	584
277	125	190	741	2 379	4 463	781	124	905	5 368	577

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negligible amount.

7 British Telecom plc was reclassified to the private sector in November 1984 and Trust Ports (Great Britain) in April 1985 reducing public corporations by about 250 000. London Regional Transport was reclassified from an 'other public corporation' to a nationalised industry in 1985 involving a transfer of some 55 000.

8 British Gas plc was reclassified to the private sector on 3 December 1986, reducing public corporations by around 89 000. British Airways plc was reclassified to the private sector on 6 February 1987 leading to a reduction in public corporations in the region of 36 000.

9 BAA plc was reclassified to the private sector in July 1988, reducing the public corporations by around 7 200. National Bus Company subsidiaries have now all been privatised reducing public corporations by some 30 000 between mid-1987 and mid-1988.

APPENDIX 2

Employment by sector and industry group [1]: United Kingdom

TABLE 2

	Total employed	Total employees in employment	Private sector				
			Total		Self-Employed [2]		
	Thousands	Thousands	Thousands	*Percent* [3]	Thousands	*Percent* [3]	Tho
At mid year 1983							
Employed Labour Force	23 610		16 658	70.6	2 221	9.4	
HM Forces	322		–		–		
Civilian employment	23 288	21 067	16 658	71.5	2 221	9.5	
Agriculture, forestry and fishing	622	350	614	98.7	272	43.7	
Energy and water supply	649	648	95	14.6	1	0.2	
Manufacturing ...	5 677	5 525	5 441	95.8	152	2.7	
Construction [4] ...	1 461	1 044	1 303	89.2	417	28.5	
Transport and communication .	1 439	1 345	571	59.7	94	6.5	
Other services ...	13 441	12 156	8 635	64.2	1 285	9.6	
At mid-year 1984							
Employed Labour Force	24 060		17 149	71.3	2 496	10.4	
HM Forces	326		–		–		
Civilian Employment	23 734	21 238	17 149	72.3	2 495	10.5	
Agriculture, forestry and fishing	615	340	607	98.7	275	44.7	
Energy and water supply	617	616	75	12.2	1	0.2	
Manufacturing ...	5 592	5 409	5 384	96.3	183	3.3	
Construction [4] ...	1 509	1 037	1 356	89.9	472	31.3	
Transport and communication .	1 460	1 340	603	4.1	120	8.2	
Other services ...	13 940	12 496	8 124	65.5	1 445	10.4	
At mid-year 1985							
Employed Labour Force	24 441		17 862	73.1	2 610	10.7	
HM Forces	326		–		–		
Civilian Employment	24 115	21 506	17 862	74.1	2 610	10.8	
Agriculture, forestry and fishing	616	341	607	98.7	274	44.6	
Energy and water supply	590	589	92	15.6	2	0.3	
Manufacturing ...	5 574	5 366	5 389	96.7	208	3.7	
Construction [4] ...	1 501	1 022	1 350	89.9	479	31.9	
Transport and communication .	1 450	1 345	872	60.1	105	7.2	
Other services ...	14 386	12 842	9 553	66.4	1 544	10.7	

Note: Components may not add to totals because of rounding.

1 Industries are classified according to the Standard Industrial Classification, 1980.

2 With or without employees.

3 Percentage of total employed in the industry.

4 The figure for construction are consistent with those published by the Department of Employment. They diff from estimates of construction employees in employment and self-employed persons in Great Britain publish by the Department of the Environment (for example, in Table 10 of *Housing and Construction Statistics)* whi include construction workers in building and civil engineering establishments run by public authorities whose maj activities are classified to other industries (for example national or local government service) under the Standa Industrial Classification.

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	Employees		Public sector							
			Public corporations		Central Government		Local Authorities		Public Sector	
ent [3]	Thousands	*Percent* [3]	Thousands	*Percent* [3]	Thousands	*Percent* [3]	Thousands	*Percent* [3]	Thousands	*Percent* [3]
9.4	14 437	61.1	1 662	7.0	2 384	10.1	2 906	12.3	6 952	29.4
	–		–		322		–		322	
9.5	14 437		1 662		2 062		2 906		6 631	28.5
43.7	342	55.0	–	–	8	1.3	–	–	8	1.3
0.2	94	14.5	548	84.4	2	0.3	4	0.6	554	85.4
2.7	5 289	93.2	195	3.4	41	0.7	–	–	236	4.2
28.5	886	60.6	17	1.2	11	0.8	130	8.9	158	10.8
6.5	477	33.1	827	57.5	–	–	41	2.8	868	60.3
9.6	7 350	54.7	75	0.6	2 000	14.9	2 731	20.3	4 806	35.8
10.4	14 653	60.9	1 610	6.7	2 359	9.8	2 942	12.2	6 911	28.7
	–		–		326		–		326	
10.5	14 653	61.7	1 610	6.9	3 033	8.6	2 942	12.4	5 795	27.7
44.7	332	540	–	–	8	1.3	–	–	8	1.3
0.2	74	12.0	535	86.7	2	0.3	5	0.8	542	87.8
3.3	5 201	93.0	170	3.0	38	0.7	–	–	208	3.7
31.3	884	58.6	17	1.1	10	0.7	126	8.3	153	10.1
8.2	483	33.1	817	55.9	–	–	41	2.8	858	58.7
10.4	7 679	55.1	71	0.5	1 975	14.2	2 770	19.9	4 816	34.5
10.7	15 252	62.4	1 261	5.2	2 360	9.7	2 958	12.1	6 579	26.9
	–		–		326				326	
10.8	15 252	63.2	1 261	5.2	2 034	8.4	2 958	12.3	6 253	25.9
44.6	333	54.1	–	–	8	1.3	–	–	8	1.3
0.3	90	15.2	491	83.1	2	0.3	6	1.0	499	84.4
3.7	5 181	93.0	146	2.6	37	0.7	–	–	183	3.3
31.9	871	58.0	16	1.1	10	0.7	125	8.3	151	10.1
7.2	767	52.9	537	37.0	1	0.1	90	2.8	578	39.9
10.7	8 009	55.7	71	0.5	1 976	13.7	2 787	19.4	4 834	33.6

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APPENDIX 2

Employment by sector and industry group [1]: United Kingdom

TABLE 2 *(continued)*

	Total employed	Total employees in employment	Private sector				
			Total		Self-Employed [2]		
	Thousands	Thousands	Thousands	*Percent* [3]	Thousands	*Percent* [3]	Th
At mid year 1986							
Employed Labour Force	24 530		17 984	73.3	2 627	10.7	
HM Forces	322		–	–	–	–	
Civilian employment	24 208	21 581	17 984	74.3	2 627	10.9	
Agriculture, forestry and fishing	603	329	595	98.7	274	45.4	
Energy and water supply	540	539	71	13.2	1	0.2	
Manufacturing ...	5 447	5 236	5 293	97.2	211	3.9	
Construction [4] ...	1 487	991	1 335	89.8	495	33.3	
Transport and communication .	1 452	1 340	880	60.6	113	7.8	
Other services ...	14 679	13 146	9 810	66.8	1 533	10.5	
At mid-year 1987							
Employed Labour Force	24 995		18 625	74.8	2 861	11.5	
HM Forces	319		–	–	–	–	
Civilian Employment	24 676	21 816	18 625	75.5	2 861	11.6	
Agriculture, forestry and fishing	591	321	583	98.7	270	45.7	
Energy and water supply	498	497	151	30.3	1	0.2	
Manufacturing ...	5 393	5 145	5 294	98.2	248	4.6	
Construction [4] ...	1 559	1,009	1,407	90.3	550	35.3	
Transport and communication .	1 502	1 345	994	66.2	157	10.5	
Other services ...	15 134	13 499	10 195	67.4	1 635	10.8	
At mid-year 1988							
Employed Labour Force	25 404		19 077	75.1	2 985	11.8	
HM Forces	316		–	–	–	–	
Civilian Employment	25 088	22 104	19 077	76.0	2 985	11.9	
Agriculture, forestry and fishing	582	313	575	98.8	269	46.2	
Energy and water supply	460	459	138	30.0	1	0.2	
Manufacturing ...	5 362	5 097	5 270	98.3	265	4.9	
Construction [4] ...	1 596	1 020	1 451	90.8	576	36.0	
Transport and communication .	1 538	1 372	1 069	69.5	166	10.8	
Other services ...	15 549	13 841	10 574	68.0	1 708	11.0	

Note: Components may not add to totals because of rounding.

1 Industries are classified according to the Standard Industrial Classification, 1980.

2 With or without employees.

3 Percentage of total employed in the industry.

4 The figures for construction are consistent with those published by the Department of Employment. They dif from estimates of construction employees in employment and self-employed persons in Great Britain publish by the Department of the Environment (for example, in Table 10 of *Housing and Construction Statistics)* whi inlcude construction workers in building and civil engineering establishments run by public authorities whose maj activities are classified to other industries (for example national or local government service) under the Standa Industrial Classification.

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			Public sector							
2	Employees		Public corporations		Central Government		Local Authorities		Public Sector	
ent [3]	Thousands	*Percent* [3]	Thousands	*Percent* [3]	Thousands	*Percent* [3]	Thousands	*Percent* [3]	Thousands	*Percent* [3]
10.7	15 537	62.6	1 199	4.9	2 337	9.5	3 010	12.3	6 546	26.7
–	–	–	–	–	322		–	–	322	
10.9	15 357	63.4	1 199	5.0	2 015	8.3	3 010	12.4	6 224	25.7
45.4	321	53.2	–	–	8	1.3	–	–	8	1.3
0.2	70	13.0	461	85.4	2	0.4	6	1.1	469	86.9
3.9	5 082	93.3	118	2.2	36	0.7	–	–	154	2.8
33.3	840	56.5	16	1.1	10	0.7	125	8.4	151	10.2
7.8	767	52.8	534	36.8	1	0.1	38	2.6	573	39.4
10.5	8 276	56.4	71	0.5	1 958	13.3	2 841	19.4	4 870	33.2
11.5	15 764	63.3	996	4.0	2 312	9.3	3 062	12.3	6 370	25.6
–	–	–	–	–	319		–	–	319	
11.6	15 764	63.9	996	4.0	1 993	8.1	3 062	12.4	6 051	24.5
45.7	313	53.0	–	–	7	1.2	–	–	7	1.2
0.2	150	30.1	339	68.1	2	0.4	6	1.2	347	69.7
4.6	5,046	93.6	81	1.5	18	0.3	–	–	99	1.8
35.3	857	55.0	15	1.0	9	0.6	128	8.2	152	9.8
10.5	837	55.7	492	32.8	–	–	16	1.1	508	33.8
10.8	8 560	56.6	70	0.5	1 957	12.9	2 912	19.2	4 982	32.6
11.8	16 092	63.3	924	3.6	2 322	9.1	3 081	12.1	6 327	24.8
–	–		–	–	316		–	–	316	
11.9	16 092	64.1	924	3.7	2 006	9.0	3 081	12.3	6 011	24.0
48.2	306	52.6	–	–	7	1.2	–	–	7	1.2
0.2	137	29.8	314	68.3	2	0.4	6	1.3	322	70.0
4.9	5 005	93.3	75	1.4	17	0.3	–	–	92	1.7
36.0	875	54.8	14	0.9	8	0.5	125	7.8	147	9.2
10.8	903	58.7	452	29.4	1	0.1	16	1.0	469	30.5
11.0	8 866	57.0	68	0.4	1 971	12.7	2 934	18.9	4 973	32.0

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APPENDIX 2

DEFINITION OF THE SECTORS

The United Kingdom national accounts divide the economy into institutional sectors so as to display the relationships between the different parts of the economy and the different forms of economic activity in a way which aggregate statistics cannot do. The sectors bring together those institutional units which are likely to play similar roles in economic activity and which may be expected to react in a broadly similar fashion to various market, fiscal and monetary forces.

The sectors used in this article are the same as in the national accounts. Full definitions of the sectors are given in *Sector Classification for the National Accounts*[a], and in *United Kingdom National Accounts: Sources and Methods*[b]. They are explained more briefly below.

General government

Central government

The central government sector can be regarded as embracing all bodies for whose activities a Minister of the Crown, or other responsible person, is accountable to Parliament. Besides the various departments of the government of the United Kingdom and the Northern Ireland government (including HM Forces), it also includes a number of publicly constituted bodies, which, while not government departments in the ordinary sense, are financially dependent upon and effectively controlled in major matters by the government. Examples of these bodies administering public policy but without the substantial degree of financial independence which characterises the public corporations include:

Regional and District Health Authorities of the National Health Service
National Research Councils
Royal Commissions
National Museums and Art Galleries

Also included are certain productive or trading enterprises financed directly from the accounts of the central government, such as the Forestry Commission and Remploy Ltd. Consistent data for years since 1961 appears in the *Economic Trends Annual Supplement*.

Civil Service

The Civil Service comprises the Home Civil Service and the Diplomatic Service (but not the Northern Ireland Civil Service, the Northern Ireland Court Service and the the Overseas Civil Service). Apart from the Trading Funds (Royal Mint, HM Stationery Office, Crown Suppliers and until 2 January 1985 Royal Ordnance Factories) which are treated as public corporations, the Civil Service is included in 'Other Central Government' along with the Northern Ireland Government Service, and a number of smaller bodies including Research Councils, Remploy Ltd, British Council and British Library. Further analysis of Civil Service manpower figures as at 1 April 1988 can be found in the booklet *Civil Service Statistics*[c].

Local authorities

This sector consists of all local government authorities which have power to raise funds by means of rates or levies. It includes all levels of administrative authorities (including parish councils) and also local authorities with special functions. It includes magistrates' courts, the probation service in England and Wales and police forces and their civilian staffs. It embraces all functions of such authorities (including, for example, their education services except in Northern Ireland and construction departments) and includes trading activities of local authorities such as housing, theatres, etc. Municipal bus companies (from 1986) and airport companies (from 1987) are regarded as public corporations.

Public corporations

Public corporations are public trading bodies which have a substantial degree of financial independence of the central government. They are publicly controlled to the extent that the Sovereign, Parliament or a Minister appoints, directly or indirectly, the whole or the majority of the board of management. They are free, however, to manage their affairs without detailed control by Parliament or, in the case of Passenger Transport Executives, by their parent local authority; in particular they have power to borrow, within limits laid down by Parliament, and to maintain their own reserves. Some public corporations are currently designated as *nationalised industries* and are noted as such in the list below. Subsidiaries of public corporations are classified to the public corporations sector if their accounts are consolidated with those of the parent corporation. In the case of the British Technology Group, subsidiary companies are classified to the companies sector which forms part of the private sector, as also are most companies which are wholly or partly owned directly by central government.

Central government trading funds like the Royal Mint are included in this sector and not under central government.

Public sector

This is defined as the sum of general government and the public corporations.

Private sector

This covers employment in companies in the corporate sector other than public corporations and in the personal sector (including unincorporated businesses and private non-profit-making bodies serving persons). Bodies serving industry, supported by the government but not wholly dependent on government funds nor subject to detailed financial control are treated as part of the company sector. Unincorporated businesses are those of sole traders and partnerships of individuals. All self-employed (whether or not they have any employees) are included in this sector, including general practitioners. Private non-profit-making bodies serving persons include universities.

CLASSIFICATION BY INDUSTRY

Industries are classified according to the *Standard Industrial Classification (Revised 1980)* (SIC). The six industry groups in Appendix 1 Table 2 represent the maximum breakdown for which industry information is available by sector.

SOURCES OF THE STATISTICS

The figures for total workforce in employment and work related government training programmes, together with the industrial analyses of employees in employment and the self-employed are aggregated from those compiled and published by the Department of Employment and the Department of Economic Development, Northern Ireland. The figures are consistent with those published in the January 1989 *Employment Gazette*.

Estimates of employment in central government and the public corporations are mostly derived from the central records of the organisations concerned. Efforts are made to ensure, as far as possible, that the figures derived from different sources are consistent. For example, in order to be consistent with the data for total employees, the estimates seek to count jobs rather than persons so that those with two or more jobs are counted twice or more. Also, with the exception of Appendix 1 Table 1, no adjustment is made for differences in hours worked or the extent of part-time working. However, the absence of a common source leaves scope for error, which will also affect the estimates for the private sector where figures are derived by subtracting the estimates of employment in central government, local authorities and public corporations from the industry totals. This is one reason why too much emphasis should not be placed on relatively small changes in employment from one year to another.

Up to and including 1974 the figures for employment by local authorities in Great Britain were based on figures collected and compiled by the Department of Employment with the co-operation of local authorities in England, Wales and Scotland. Additions were made for Northern Ireland, and to include the staffs of magistrates' courts and the probation service, employees of parish councils and certain other local bodies, and the civilian employees of police forces, none of whom were included in the Department of Employment's survey of local authorities. (These groups are of course included, but not separately identified, in the Department of Employment's mid-year figures of the total employees in employment.) From 1975, figures from the Joint Manpower Watch surveys undertaken on behalf of central and local government by the Local Authorities' Conditions of Service Advisory Board form the basis of the figures for local authorities in England and Wales[c]. This survey covers all the services for which local authorities in England and Wales are responsible, including most of the bodies for which separate estimates had previously to be made. From 1976, the figures for Scotland are taken from a similar survey undertaken on behalf of central and local government by the National Joint Council for Local Authority Services (Scottish Councils)[d].

Information is not available from every source concerning (i) disaggregation below United Kingdom level, or (ii) of number of males, females, full-time and part-time workers; best estimates are used for missing data.

MAJOR SECTOR CHANGES: 1982 TO 1988

DEFINITIONS, COVERAGE AND CONSISTENCY OF STATISTICS

Central government

United Kingdom Atomic Energy Authority has been reclassified as a public corporation from 1 April 1986.

Civil Service

Since civil service numbers are shown in Table 1 of Appendix 1, the major sectoral changes are listed from 1969.

On 1 April 1971 responsibilities for Road Traffic Licensing were transfered from local authorities to the civil service (about 1000 staff were involved).

Civil Aviation Authority set up on 1 April 1972 reducing Civil Service numbers by around 7400.

In March 1973 the Atomic Weapons Research Establishment (AWRE) joined the Ministry of Defence (affecting around 5600 personel).

Employment Services Agency was established as a statutory body on 1 October 1974, removing some 12,700 from the civil service manpower count.

As a result of the Employment Protection Act, 1975 20,900 staff of the Manpower Services Commission were reclassified as civil servants on 1 January 1976.

On 1 October 1980 certain Public Service Agency staff were excluded from the Civil Service figures. This reduced the numbers by approximately 1300.

The *Victoria and Albert* and *Science* museums were accorded trustee status on 1 April 1984, reducing civil service numbers by some 1100.

The Directorate of Historic Monuments and Ancient Buildings was transferred from the Department of Environment to a new commission, outside the civil service manpower count, on 1 April 1984 (around 1100 employees were affected)

On 2 January 1985, Royal Ordnance Factories became a Companies Act company and as such was excluded from the Civil Service figures (causing a reduction of around 19,000).

A number of MOD Dockyards were privatised on 6 April 1987, affecting around 15,000 staff.

Public corporations

The public corporations in existence during the whole or part of the period covered by this article are listed below.

A. Corporations in existence at 30 June 1988

NAME OF CORPORATION	COMMENCING OR VESTING DATE
Audit Commission	April 1983
Bank of England	March 1946
BAA plc[1,2]	April 1966
British Broadcasting Corporation	1927
British Coal Corporation[1,2]	January 1947
British Railways Board[1,2]	January 1963
British Shipbuilders[1]	July 1977
British Steel Corporation[1]	July 1967

British Technology Group[2]	July 1981
British Waterways Board[1,2]	January 1963
Civil Aviation Authority[1]	April 1972
Commonwealth Development Corporation	February 1948
Covent Garden Market Authority	October 1961
Crown Agents and Crown Agents Holding and Realisation Board	January 1980
Crown Suppliers[3]	April 1976
Development Board for Rural Wales[2]	April 1977
Electricity Council[1] (also the Central Electricity Generating Board and Area Electricity Boards in England and Wales)	January 1958
English Industrial Estates Corporation	April 1986
General Practice Finance Corporation	November 1966
Her Majesty's Stationery Office	April 1980
Highlands and Islands Development Board	November 1965
Independent Broadcasting Authority[2]	July 1972
Land Authority for Wales	April 1976
Local Authority Airport Companies	April 1987
Local Authority Bus Companies	October 1986
London Regional Transport[1,2]	January 1970
National Bus Company[1,2,5]	January 1969
National Dock Labour Board	June 1947
New Town Development Corporations and Commission	December 1946 et seq.
Northern Ireland Electricity Service	January 1974
Northern Ireland Housing Executive[2]	May 1971
Northern Ireland Transport Holding Company[2]	April 1968
North of Scotland Hydro-Electric Board[1]	1943
Oil and Pipelines Agency[2]	December 1985
Passenger Transport Executives	Various from October 1969
Pilotage Commission	November 1979
Post Office[1]	April 1961
Regional Water Authorities (England) and Welsh Water Authority[1,4]	April 1974
Royal Mint	April 1975
Scottish Development Agency	December 1975
Scottish Special Housing Association	1937
Scottish Transport Group[1,2]	January 1969
South of Scotland Electricity Board[1]	April 1955
Trust Ports(Northern Ireland)[4]	April 1974
United Kingdom Atomic Energy Authority[6]	April 1986
Urban Development Corporations	March 1981 et seq.
Water Authorities Association[2]	October 1983
Welsh Development Agency	January 1976
Welsh Fourth Channel Authority	January 1981

B. Corporations succeeded by other corporations 1982–88

National Enterprise Board (excluding subsidiary companies) and the National Research Development Corporation now constitute the British Technology Group.

National Water Council was dissolved, and its main functions undertaken by the Water Authorites Association from October 1983.

London Transport Executive was renamed London Regional Transport from 29 June 1984.

British National Oil Company was dissolved on 27 March 1986 and its functions transfered to the Oil and Pipeline Agency.

British Airports Authority was renamed BAA plc from 1 August 1986.

National Coal Board was renamed British Coal Corporation from 5 March 1987.

C. Corporations transferred to the private sector 1982–88

National Freight Company[1]	February 1982
Britoil[1]	October 1982
Associated British Ports[1] (formerly British Transport Docks Board until December 1982)	February 1983
Enterprise Oil[1] (separated from British Gas Corporation in September 1983)	June 1984
British Telecom plc[1]	November 1984
Trust Ports (Great Britain)	April 1985
British Shipbuilders (Warship yards)	Various dates from July 1984
British Gas Corporation	December 1986
British Airways plc	February 1987
Royal Ordnance plc	April 1987
BAA plc	July 1987
National Bus Company subsidiaries	Various dates between July 1986 and April 1988

D. Corporations dissolved and not succeeded

Northern Ireland Development Agency was abolished in June 1983 and its functions transferred to the Industrial Development Board for Northern Ireland (a central government body).

National Film Finance Corporation abolished in December 1985 being replaced in the private sector by the British Screen Finance Consortium.

E. Other Changes

The Housing Corporation is reclassified as a central government trading body from 1974

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1. Nationalised industry.
2. Corporations which succeeded corporations existing previously.
3. Prior to January 1984 known as Property Services Agency (Supplies).
4. Functions of these bodies were previously included in the local authority sector.
5. Subsidiaries of the National Bus Company were all privatised by April 1988.
6. Functions of these bodies were previously included in the central government sector.

References:

(a) *Sector Classification for the National Accounts No.6* Available only from Branch 5 [illegible] Great George Street, London, SW1P 3AQ. Price £[illegible] or cheques payable to the Cabinet Office with order)

(b) [illegible] *and* [illegible]

(c) *Civil Service Statistics* (HMSO 1988, price £7.25 net)

(d) See, for example, 'Manpower in the local authorities' *Department of Employment Gazette*, August 1979 (HMSO).

Index of sources

United Kingdom balance of payments: National income and expenditure. In addition to the series indexed below, further detailed statistics are included in the regular quarterly articles (see inside back cover).

	Table	*Source*	*Further statistics*
Average earnings	1,23	Department of Employment	Monthly Digest of Statistics Employment Gazette
Balance of payments	1,27	Central Statistical Office	Financial Statistics Quarterly articles in Economic Trends
Banking		Bank of England	Financial Statistics
Bank loans, advances and acceptances	36,37,38		
British government securities (long dated)			
20 years yield	39		
Building societies		Bank of England	Financial Statistics
Advances on new dwellings	12	Building Societies Association	
Average prices of new dwellings on mortgage (see also Housing)	12		
Commitments on new dwellings	12		
Recommended share rate (see also Interest rates)	39		
Capital account summary, analysis by sector	33	Central Statistical Office	Financial Statistics
Car registrations and production (see also Motor vehicles)	6,19		
CBI Intentions Inquiry (see also Fixed investment)	10		
Coal (see also Energy)	15		
Commercial vehicles, production (see also Motor vehicles)	19		
Companies		Central Statistical Office	Financial Statistics
Financial companies			
Capital account, financial surplus/deficit	33		
Saving	33		
Gross trading profits	34		
In relation to total domestic income	7		Monthly Digest of Statistics
Industrial and commercial companies	34		Financial Statistics
Appropriation account	34		
Dividends, interest and current transfer payments	34		
Fixed investment	36		
Income	34		
Net borrowing requirement	36		
Saving	33,34,35		
Security prices and yields (see also Interest rates)	39		
Stock appreciation	34		
Taxes	34		
Construction industry		Department of the Environment	Housing and Construction Statistics
Index of output (see also Industrial production)	17		
Orders received	10,12,18		
Output	18		
Consumer credit	6	Central Statistical Office	Financial Statistics
Consumers' expenditure		Central Statistical Office	Monthly Digest of Statistics
Component categories	5		
In relation to personal income	4		
In relation to total final expenditure	7		
Per capita	8		
Counterparts to changes in M3	30	Bank of England	Financial Statistics
Credit business (see Hire purchase)	6		

Current balance (see also Balance of payments)	1,27		
Cyclical indicators (see article on page 70)			
Distributive trades		Central Statistical Office	Monthly Digest of Statistics
Output (see also Retail sales; Stocks)	17		
Dividends, interest and current transfer payments	34		
Domestic income (see also Incomes)	8		
Dwellings (see also Housing)	12		
Earnings (average)	1,23	Department of Employment	Monthly Digest of Statistics Employment Gazette
Electricity (see also Energy)	15		
Employed labour force	20,21	Central Statistical Office	Monthly Digest of Statistics
Employees in employment		Department of Employment	Monthly Digest of Statistics
All industries and services and manufacturing	21		Employment Gazette
Energy	15		
Consumers' expenditure on fuel and light	5	Central Statistical Office	Monthly Digest of Statistics
output index for energy and water supply	16		Monthly Digest of Statistics
Primary fuel input: total, coal and petroleum	15	Department of Energy	United Kingdom Energy Statistics
Public supply: electricity	15		Energy Trends
Engineering industries		Department of Trade and Industry	Monthly Digest of Statistics
Sales and orders: total, home market and export	18		British Business
Eurodollar-3-month rate (see also Interest rates)	39		
Exchange rates	1,28	Bank of England	Financial Statistics
Expenditure (see also Total final expenditure)	3,7		
Exports		Department of Trade and Industry	Monthly Digest of Statistics
Of goods			British Business
Unit value index	25		Monthly Review of External Trade Statistics
Unit value index for manufactures (international comparisons)	26		
Value	27		
Volume index	25		
Of goods and services	3,7	Central Statistical Office	Monthly Digest of Statistics
Of passenger cars, commercial vehicles	19		
Orders; engineering industries	18		
Relative prices (as measure of trade competitiveness)	26	Department of Trade and Industry	Monthly Review of External Trade Statistics
Relative profitability (as measure of trade competiveness	26		
Final expenditure (see also Total final expenditure)	3,7		
Financial companies (see also Companies)	33		
Fixed investment			
By industrial and commercial companies (see also Companies)	36		
By sector and by type of asset	9	Central Statistical Office	Monthly Digest of Statistics
Dwellings (see also Housing)	9,12		British Business
In relation to total final expenditure	3,7		Monthly Digest of Statistics
Manufacturing industry			
CBI Intentions Inquiry	10	Confederation of British Industry	Industrial Trends Survey
Contractors' orders for private industrial work	10	Department of the Environment	Housing and Construction Statistics
In plant and machinery, new buildings and work	10	Department of Trade and Industry	Monthly Digest of Statistics
Gas (see also Energy)	15		
General government consumption of goods and services	3,7	Central Statistical Office	Monthly Digest of Statistics
Receipts and expenditure	31		Financial Statistics

Gross domestic fixed capital formation (see also Fixed investment)	7,9,12,34		
Gross domestic product	2	Central Statistical Office	Monthly Digest of Statistics
And components of final expenditure	3		
In relation to output	17		
In relation to stocks	14		
Per capita	8		
Gross national product *per capita*	8	Central Statistical Office	Not published elsewhere
Gross trading profits of companies (see also Companies)	34		
Hire purchase debt	6	Department of Trade and Industry	Monthly Digest of Statistics British Business Financial Statistics
Housing			
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